



**FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

BOSTON AFTER SCHOOL & BEYOND, INC.

Contents
June 30, 2016 and 2015

	<u>Pages</u>
Independent Auditor’s Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Statements of Functional Expenses	5
Notes to Financial Statements	6 - 11



21 East Main Street
Westborough, MA 01581
508.366.9100
aafcpa.com

Independent Auditor's Report

To the Board of Directors of
Boston After School & Beyond, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Boston After School & Beyond, Inc. (a Massachusetts corporation, not-for-profit) which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Boston After School & Beyond, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Alexander, Acorn, Penning & Co., P.C.

Boston, Massachusetts
September 28, 2016

BOSTON AFTER SCHOOL & BEYOND, INC.Statements of Financial Position
June 30, 2016 and 2015

Assets	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Current Assets:						
Cash and cash equivalents	\$ 897,047	\$ 1,756,412	\$ 2,653,459	\$ 588,626	\$ 1,048,588	\$ 1,637,214
Grants receivable	4,950	1,520,302	1,525,252	156,379	1,570,000	1,726,379
Other receivables	9,829	-	9,829	-	-	-
Prepaid expenses	18,063	5,000	23,063	15,702	62,113	77,815
Total current assets	929,889	3,281,714	4,211,603	760,707	2,680,701	3,441,408
Other Assets	5,025	-	5,025	5,025	-	5,025
Property and Equipment, net	10,497	-	10,497	-	-	-
Total assets	<u>\$ 945,411</u>	<u>\$ 3,281,714</u>	<u>\$ 4,227,125</u>	<u>\$ 765,732</u>	<u>\$ 2,680,701</u>	<u>\$ 3,446,433</u>
Liabilities and Net Assets						
Current Liabilities:						
Accounts payable	\$ 125,775	\$ -	\$ 125,775	\$ 25,502	\$ -	\$ 25,502
Grants payable	173,000	-	173,000	160,164	-	160,164
Accrued expenses	121,677	-	121,677	101,927	-	101,927
Total current liabilities	420,452	-	420,452	287,593	-	287,593
Net Assets:						
Unrestricted	524,959	-	524,959	478,139	-	478,139
Temporarily restricted	-	3,281,714	3,281,714	-	2,680,701	2,680,701
Total net assets	524,959	3,281,714	3,806,673	478,139	2,680,701	3,158,840
Total liabilities and net assets	<u>\$ 945,411</u>	<u>\$ 3,281,714</u>	<u>\$ 4,227,125</u>	<u>\$ 765,732</u>	<u>\$ 2,680,701</u>	<u>\$ 3,446,433</u>

The accompanying notes are an integral part of these statements.

Page 2

BOSTON AFTER SCHOOL & BEYOND, INC.Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Support:						
Grants and contributions	\$ 813,176	\$ 2,551,398	\$ 3,364,574	\$ 308,564	\$ 1,453,595	\$ 1,762,159
Interest income	19,331	-	19,331	9,816	-	9,816
Donated services	18,399	-	18,399	27,354	-	27,354
Net assets released from purpose restrictions	1,925,385	(1,925,385)	-	2,575,514	(2,575,514)	-
Net assets released from time restrictions	25,000	(25,000)	-	175,000	(175,000)	-
Total revenue and support	<u>2,801,291</u>	<u>601,013</u>	<u>3,402,304</u>	<u>3,096,248</u>	<u>(1,296,919)</u>	<u>1,799,329</u>
Expenses:						
Program services	2,413,796	-	2,413,796	2,758,410	-	2,758,410
General and administrative	315,503	-	315,503	300,624	-	300,624
Fundraising	25,172	-	25,172	25,748	-	25,748
Total expenses	<u>2,754,471</u>	<u>-</u>	<u>2,754,471</u>	<u>3,084,782</u>	<u>-</u>	<u>3,084,782</u>
Changes in net assets	46,820	601,013	647,833	11,466	(1,296,919)	(1,285,453)
Net Assets:						
Beginning of year	<u>478,139</u>	<u>2,680,701</u>	<u>3,158,840</u>	<u>466,673</u>	<u>3,977,620</u>	<u>4,444,293</u>
End of year	<u>\$ 524,959</u>	<u>\$ 3,281,714</u>	<u>\$ 3,806,673</u>	<u>\$ 478,139</u>	<u>\$ 2,680,701</u>	<u>\$ 3,158,840</u>

BOSTON AFTER SCHOOL & BEYOND, INC.

Statements of Cash Flows

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 647,833	\$ (1,285,453)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Bad debt	-	2,313
Changes in operating assets and liabilities:		
Grants receivable	201,127	(534,157)
Other receivables	(9,829)	11,018
Prepaid expenses	54,752	39,415
Accounts payable	100,273	(67,663)
Grants payable	12,836	(123,996)
Accrued expenses	19,750	(131,654)
	<u>1,026,742</u>	<u>(2,090,177)</u>
Net cash provided by (used in) operating activities		
	1,026,742	(2,090,177)
Cash Flows from Investing Activities		
Acquisition of property and equipment	<u>(10,497)</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	1,016,245	(2,090,177)
Cash and Cash Equivalents:		
Beginning of year	<u>1,637,214</u>	<u>3,727,391</u>
End of year	<u>\$ 2,653,459</u>	<u>\$ 1,637,214</u>

BOSTON AFTER SCHOOL & BEYOND, INC.

 Statements of Functional Expenses
 For the Years Ended June 30, 2016 and 2015

	2016				2015			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Grants to Others	\$ 1,103,603	\$ -	\$ -	\$ 1,103,603	\$ 1,585,582	\$ -	\$ -	\$ 1,585,582
Personnel and Related:								
Salaries	411,928	155,236	18,182	585,346	405,423	150,131	18,271	573,825
Employee benefits	47,815	19,927	2,444	70,186	46,594	18,670	2,074	67,338
Payroll taxes	36,057	13,347	1,552	50,956	33,825	12,180	1,575	47,580
Total personnel and related	495,800	188,510	22,178	706,488	485,842	180,981	21,920	688,743
Other:								
Professional fees	614,057	93,239	1,633	708,929	408,247	58,655	51	466,953
Occupancy	54,158	12,180	909	67,247	52,246	14,297	1,205	67,748
Supplies	37,192	3,708	107	41,007	114,051	5,106	56	119,213
Meetings and events	29,143	5,104	31	34,278	34,208	6,108	159	40,475
Travel	28,768	1,940	6	30,714	51,025	639	45	51,709
Donated services	18,399	-	-	18,399	-	27,354	-	27,354
Marketing	11,490	1,204	43	12,737	2,639	2,543	488	5,670
Dues and subscriptions	10,829	621	89	11,539	13,716	655	1,590	15,961
Communications	8,649	1,344	147	10,140	9,265	2,397	198	11,860
Equipment	-	6,450	-	6,450	-	-	-	-
Insurance	1,708	1,203	29	2,940	1,589	1,889	36	3,514
Total other	814,393	126,993	2,994	944,380	686,986	119,643	3,828	810,457
Total expenses	\$ 2,413,796	\$ 315,503	\$ 25,172	\$ 2,754,471	\$ 2,758,410	\$ 300,624	\$ 25,748	\$ 3,084,782

The accompanying notes are an integral part of these statements.

BOSTON AFTER SCHOOL & BEYOND, INC.

Notes to Financial Statements
June 30, 2016 and 2015

1. OPERATIONS AND NONPROFIT STATUS

OPERATIONS

Boston After School & Beyond, Inc. (the Agency) is a nonprofit corporation incorporated in 2004 in the Commonwealth of Massachusetts. The Agency is a public-private partnership charged with supporting, strengthening, and expanding Boston's out-of-school time system. The Agency connects school, after-school, and summer learning in order to provide young people with the opportunity to learn and thrive. It mobilizes partnerships among government, schools, a variety of leading nonprofits, and local and national philanthropy. Below is a summary of specific initiatives:

Summer Learning Project – Research shows that summer learning loss contributes substantially to achievement gaps, disproportionately affects low-income youth, and has a cumulative effect. The goal of the Summer Learning Project is to equip students with the knowledge, skills, and experiences they need to succeed in school and beyond. This initiative, which began in 2010 with five schools, seven community partners reaching 232 students, now includes over 100 summer programs reaching more than 10,000 Boston students. Programs apply common standards and measures to inform their improvement year round. The Boston Summer Learning Project is part of national research funded by The Wallace Foundation and evaluated by RAND on summer programs' effect on academic and social-emotional outcomes.

Teen Initiative – The teen years present an opportunity to engage young people based on their interests and the next step in their secondary and post-secondary education. The Teen Initiative supports strategic partnerships among youth-serving organizations, the Boston Public Schools, and the higher education sector. In recent years, these partnerships have focused on how to deliver expanded learning opportunities (ELOs)—experiential learning that often permeates the boundaries of the traditional school day—in coordinated, measurable, and scalable ways. The Rennie Center for Education Reform has studied and documented this work in two recent reports – “From Schooling to Learning” (2014) and “Beyond School Walls: Earning Credit for Expanded Learning Opportunities” (2016).

School-Community Partnerships – Increasingly, schools rely on their after-school and extended day partners to reinforce academics and to build social-emotional skills in students. This Initiative supports schools and their partners in managing, measuring, and improving program performance and student skill gain. These collaborations are leading to new methods of professional development across the school and after-school settings, linking education and youth development priorities.

Data Strategy – Measurement is a cross-cutting feature of the Agency's initiatives. With common measures of program performance and student progress, community partners can see how they stack up against other providers, identify practices that work and those that need improvement, and deploy resources more strategically. More than 150 programs work with the Agency to evaluate program performance and impact, using a common suite of evaluation and assessment tools.

BOSTON AFTER SCHOOL & BEYOND, INC.

Notes to Financial Statements
June 30, 2016 and 2015

1. OPERATIONS AND NONPROFIT STATUS (Continued)

OPERATIONS (Continued)

STEM – The STEM Program's objective is to build a Science, Technology, Engineering, and Math (STEM) learning ecosystem in the City. The strategy is to expand opportunities for Boston youth to learn the skills that they need to successfully navigate school, careers, and life. The hands-on, project-based, and career-oriented nature of high quality STEM education programs makes them excellent settings for learning essential skills such as critical thinking and perseverance, and the Agency aims to make these types of learning experiences accessible to all youth in Boston by building stronger connections between schools and the City's abundance of STEM resources, as well as training educators to more confidently engage students in STEM content. The Agency measures the quality of these learning experiences using observation tools and surveys, and convenes the participating programs to learn from each other's successes in order to improve the strength of the ecosystem as a whole.

NONPROFIT STATUS

The Agency is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Agency is also exempt from state income taxes. Donors may deduct contributions made to the Agency within the IRC requirements.

2. SIGNIFICANT ACCOUNTING POLICIES

The Agency prepares its financial statements in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Estimates

The preparation of financial statements in accordance with U.S. GAAP 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. Actual results could differ from those estimates.

Revenue Recognition

Revenue from unrestricted grants and contributions is recorded as unrestricted revenue and net assets when unconditionally pledged or received. Revenue from restricted grants and contributions is recorded as temporarily restricted revenue and net assets when unconditionally pledged or received. Transfers are made to unrestricted revenue and net assets as costs are incurred or time restrictions or program restrictions have lapsed. Temporarily restricted grants received and expended for their designated purpose in accordance with restrictions in the same fiscal year are reported as unrestricted revenue. All other revenue is recorded when earned.

Expense Allocation

Expenses related directly to a program are distributed to that program, while other indirect expenses are allocated based upon management's estimate of the percentage attributable to each program.

BOSTON AFTER SCHOOL & BEYOND, INC.

Notes to Financial Statements
June 30, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants to Others

Grants are recorded when awarded by the Agency.

Cash and Cash Equivalents

Cash and cash equivalents consist of checking and money market accounts.

Donated Services

Volunteers and other organizations contribute services to the Agency in support of various aspects of its programs. These services are reflected in the accompanying financial statements based upon the estimated value assigned to them by the donating volunteers, agencies, or by management. Donated services include legal services provided and program supplies which totaled \$18,399 and \$27,354 for fiscal years 2016 and 2015, respectively.

Fair Value Measurements

The Agency follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Agency would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Agency uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Agency. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs.

BOSTON AFTER SCHOOL & BEYOND, INC.Notes to Financial Statements
June 30, 2016 and 2015**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****Property and Equipment and Depreciation**

Property and equipment are recorded at cost. Renewals and betterments with an expected life greater than one year are capitalized, while repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

Furniture, fixtures and equipment	5 years
Leasehold improvements	Life of lease

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

	<u>2016</u>	<u>2015</u>
Furniture, fixtures and equipment	\$ 45,885	\$ 37,588
Leasehold improvements	<u>9,207</u>	<u>9,207</u>
	55,092	46,795
Less - accumulated depreciation	<u>44,595</u>	<u>46,795</u>
	<u>\$ 10,497</u>	<u>\$ -</u>

There was no depreciation expense for the years ended June 30, 2016 and 2015 as the assets were either fully depreciated or placed in service at year end.

Net Assets**Unrestricted Net Assets**

Unrestricted net assets are those net resources that bear no external restrictions and are generally available for use by the Agency.

Temporarily Restricted Net Assets

Temporarily restricted net assets include contributions and grants which are designated by donors for specific purposes or specific time periods. These contributions are recorded as temporarily restricted net assets until they are expended for their designated purposes or the time period lapses.

Temporarily restricted net assets are restricted for the following as of June 30:

	<u>2016</u>	<u>2015</u>
Summer Learning Project	\$ 1,780,530	\$ 1,916,991
Time	682,270	48,035
Teen Initiative	392,146	117,295
School-Community Partnerships	372,509	423,886
STEM	<u>54,259</u>	<u>174,494</u>
	<u>\$ 3,281,714</u>	<u>\$ 2,680,701</u>

BOSTON AFTER SCHOOL & BEYOND, INC.

Notes to Financial Statements
June 30, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivable

Grants receivable consist of contributions for general operating support and various programs. These grants are recorded at the net present value when unconditionally committed. The Agency reviews grants receivable annually and an allowance for uncollectible amounts due is recorded if amounts are deemed uncollectible. There was no allowance at June 30, 2016 and 2015.

Prepaid Expenses

Prepaid expenses included in temporarily restricted net assets represent amounts paid for the following purposes (see Note 1 and page 9):

	<u>2016</u>	<u>2015</u>
Summer Learning Project	\$ 5,000	\$ 45,363
School-Community Partnerships	<u>-</u>	<u>16,750</u>
	<u>\$ 5,000</u>	<u>\$ 62,113</u>

Income Taxes

The Agency accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statement regarding a tax position taken or expected to be taken in a tax return. The Agency has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at June 30, 2016 and 2015. The Agency's information returns are subject to examination by the Federal and state jurisdictions.

Subsequent Events

Subsequent events have been evaluated through September 28, 2016, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

3. RETIREMENT PLAN

The Agency maintains an IRC Section 401(k) Retirement Plan (the Plan) for all eligible employees. Employees may make contributions to the Plan up to the maximum allowed by law. The Agency determines discretionary employer matching contributions on an annual basis in accordance with the plan document. Employees are fully vested in employer contributions to the Plan after three years, and are eligible for 50% vesting after two years.

The Agency's retirement plan contributions for fiscal years 2016 and 2015, were \$28,171 and \$16,866, respectively. These amounts are included in employee benefits in the accompanying statements of functional expenses.

BOSTON AFTER SCHOOL & BEYOND, INC.

Notes to Financial Statements
June 30, 2016 and 2015

4. LEASE AGREEMENT

The Agency has entered into a lease agreement for office and program space expiring in March 2018. The Agency has an option to extend the lease for an additional five years at fair market rent, as defined in the agreement. Annual rent is \$60,294, plus the Agency's proportionate share of certain operating costs and real estate taxes. Rental expense was \$60,294 for fiscal years 2016 and 2015, and is included in occupancy in the accompanying statements of functional expenses. Future minimum lease payments are as follows:

<u>Fiscal Year</u>	
2017	\$ 60,294
2018	\$ 45,221

5. RELATED PARTY TRANSACTIONS

During fiscal years 2016 and 2015, respectively, three and five board members were officers of non profit organizations that received grants from the Agency. Total grant expense relating to the organizations totaled \$269,981 and \$651,129, respectively, during fiscal years 2016 and 2015. Also during fiscal years 2016 and 2015, the Agency received \$150,000 from a non profit organization whose executive director is a member of the Agency's board of directors. These board members abstain from voting on matters relating to their respective agencies.

6. CONCENTRATIONS

The Agency maintains its cash balances in two Massachusetts banks. One bank insures deposits up to the limits of the Federal Deposit Insurance Corporation (FDIC), while the second bank is fully insured through the Depositors Insurance Fund. At certain times during the year, some balances exceeded the insured amount. The Agency has not experienced any losses in these accounts. The Agency's management believes the Agency is not exposed to any significant credit risk on cash.

Two and three donors represent approximately 77% and 80% of the total outstanding grants receivable balance as of June 30, 2016 and 2015, respectively. Two and one donors represent approximately 71% and 46% of total operating revenue for fiscal years 2016 and 2015, respectively.