



**FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

BOSTON AFTER SCHOOL & BEYOND, INC.

Contents
June 30, 2017 and 2016

	<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

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, 2017 and 2016, 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, 2017 and 2016, 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, Brown, Fenning & Co., P.C.
Boston, Massachusetts
September 25, 2017

BOSTON AFTER SCHOOL & BEYOND, INC.

Statements of Financial Position

June 30, 2017 and 2016

Assets	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Current Assets:						
Cash and cash equivalents	\$ 824,615	\$ 2,239,654	\$ 3,064,269	\$ 897,047	\$ 1,756,412	\$ 2,653,459
Grants and contracts receivable	178,045	330,647	508,692	4,950	1,520,302	1,525,252
Other receivables	881	-	881	9,829	-	9,829
Prepaid expenses	12,802	-	12,802	18,063	5,000	23,063
Total current assets	1,016,343	2,570,301	3,586,644	929,889	3,281,714	4,211,603
Other Assets	5,025	-	5,025	5,025	-	5,025
Property and Equipment, net	8,397	-	8,397	10,497	-	10,497
Total assets	<u>\$ 1,029,765</u>	<u>\$ 2,570,301</u>	<u>\$ 3,600,066</u>	<u>\$ 945,411</u>	<u>\$ 3,281,714</u>	<u>\$ 4,227,125</u>
Liabilities and Net Assets						
Current Liabilities:						
Accounts payable	\$ 134,109	\$ -	\$ 134,109	\$ 125,775	\$ -	\$ 125,775
Grants payable	182,250	-	182,250	173,000	-	173,000
Accrued expenses	139,475	-	139,475	121,677	-	121,677
Total current liabilities	455,834	-	455,834	420,452	-	420,452
Net Assets:						
Unrestricted	573,931	-	573,931	524,959	-	524,959
Temporarily restricted	-	2,570,301	2,570,301	-	3,281,714	3,281,714
Total net assets	573,931	2,570,301	3,144,232	524,959	3,281,714	3,806,673
Total liabilities and net assets	<u>\$ 1,029,765</u>	<u>\$ 2,570,301</u>	<u>\$ 3,600,066</u>	<u>\$ 945,411</u>	<u>\$ 3,281,714</u>	<u>\$ 4,227,125</u>

The accompanying notes are an integral part of these statements.

BOSTON AFTER SCHOOL & BEYOND, INC.

Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Support:						
Grants, contracts and contributions	\$ 786,854	\$ 1,127,465	\$ 1,914,319	\$ 813,176	\$ 2,551,398	\$ 3,364,574
Donated services	56,200	-	56,200	18,399	-	18,399
Interest income	17,836	-	17,836	19,331	-	19,331
Net assets released from purpose restrictions	1,477,752	(1,477,752)	-	1,925,385	(1,925,385)	-
Net assets released from time restrictions	361,126	(361,126)	-	25,000	(25,000)	-
Total revenue and support	<u>2,699,768</u>	<u>(711,413)</u>	<u>1,988,355</u>	<u>2,801,291</u>	<u>601,013</u>	<u>3,402,304</u>
Expenses:						
Program services	2,264,254	-	2,264,254	2,413,796	-	2,413,796
General and administrative	359,567	-	359,567	315,503	-	315,503
Fundraising	26,975	-	26,975	25,172	-	25,172
Total expenses	<u>2,650,796</u>	<u>-</u>	<u>2,650,796</u>	<u>2,754,471</u>	<u>-</u>	<u>2,754,471</u>
Changes in net assets	48,972	(711,413)	(662,441)	46,820	601,013	647,833
Net Assets:						
Beginning 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>
End of year	<u>\$ 573,931</u>	<u>\$ 2,570,301</u>	<u>\$ 3,144,232</u>	<u>\$ 524,959</u>	<u>\$ 3,281,714</u>	<u>\$ 3,806,673</u>

BOSTON AFTER SCHOOL & BEYOND, INC.Statements of Cash Flows
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ (662,441)	\$ 647,833
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	2,100	-
Changes in operating assets and liabilities:		
Grants and contracts receivable	1,016,560	201,127
Other receivables	8,948	(9,829)
Prepaid expenses	10,261	54,752
Accounts payable	8,334	100,273
Grants payable	9,250	12,836
Accrued expenses	17,798	19,750
	<u>410,810</u>	<u>1,026,742</u>
Net cash provided by operating activities	410,810	1,026,742
Cash Flows from Investing Activities		
Acquisition of property and equipment	-	(10,497)
	<u>-</u>	<u>(10,497)</u>
Net Change in Cash and Cash Equivalents	410,810	1,016,245
Cash and Cash Equivalents:		
Beginning of year	<u>2,653,459</u>	<u>1,637,214</u>
End of year	<u><u>\$ 3,064,269</u></u>	<u><u>\$ 2,653,459</u></u>

BOSTON AFTER SCHOOL & BEYOND, INC.

Statements of Functional Expenses
For the Years Ended June 30, 2017 and 2016

	2017				2016			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Grants to Others	\$ 805,328	\$ -	\$ -	\$ 805,328	\$ 1,103,603	\$ -	\$ -	\$ 1,103,603
Personnel and Related:								
Salaries	488,439	151,995	18,659	659,093	411,928	155,236	18,182	585,346
Employee benefits	67,372	25,857	2,442	95,671	47,815	19,927	2,444	70,186
Payroll taxes	40,717	11,565	1,577	53,859	36,057	13,347	1,552	50,956
Total personnel and related	596,528	189,417	22,678	808,623	495,800	188,510	22,178	706,488
Other:								
Professional fees	605,321	111,600	2,630	719,551	614,057	93,239	1,633	708,929
Occupancy	54,370	12,334	783	67,487	54,158	12,180	909	67,247
Travel	62,337	2,076	38	64,451	28,768	1,940	6	30,714
Donated services	26,200	30,000	-	56,200	18,399	-	-	18,399
Meetings and events	47,979	3,632	66	51,677	29,143	5,104	31	34,278
Supplies	40,601	1,698	86	42,385	37,192	3,708	107	41,007
Dues and subscriptions	11,657	502	520	12,679	10,829	621	89	11,539
Communications	8,534	1,543	122	10,199	8,649	1,344	147	10,140
Equipment	2,475	2,023	25	4,523	-	6,450	-	6,450
Insurance	1,898	1,577	27	3,502	1,708	1,203	29	2,940
Depreciation	-	2,100	-	2,100	-	-	-	-
Marketing	1,026	1,065	-	2,091	11,490	1,204	43	12,737
Total other	862,398	170,150	4,297	1,036,845	814,393	126,993	2,994	944,380
Total expenses	\$ 2,264,254	\$ 359,567	\$ 26,975	\$ 2,650,796	\$ 2,413,796	\$ 315,503	\$ 25,172	\$ 2,754,471

The accompanying notes are an integral part of these statements.

BOSTON AFTER SCHOOL & BEYOND, INC.

Notes to Financial Statements
June 30, 2017 and 2016

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, 2017 and 2016

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.

SEL – Social and Emotional Learning (SEL) skills have become recognized as an important part of improving learning in students, both during school time and in out-of-school time (OST) settings. During the year, the Agency received a planning grant to design a large-scale study of how to identify, implement, and assess SEL skills in supporting students collaboratively with the Boston Public School system. The process will culminate in a request for proposal process to implement the study.

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.

BOSTON AFTER SCHOOL & BEYOND, INC.

Notes to Financial Statements
June 30, 2017 and 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 and supplies include legal services, program services and program supplies which totaled \$56,200 and \$18,399 for fiscal years 2017 and 2016, respectively.

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>2017</u>	<u>2016</u>
Furniture, fixtures and equipment	\$ 41,934	\$ 45,885
Leasehold improvements	<u>8,160</u>	<u>9,207</u>
	50,094	55,092
Less - accumulated depreciation	<u>41,697</u>	<u>44,595</u>
	<u>\$ 8,397</u>	<u>\$ 10,497</u>

BOSTON AFTER SCHOOL & BEYOND, INC.

Notes to Financial Statements
June 30, 2017 and 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment and Depreciation (Continued)

Depreciation expense was \$2,100 for the year ended June 30, 2017. There was no depreciation expense for the year ended June 30, 2016, 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>2017</u>	<u>2016</u>
Summer Learning Project	\$ 1,490,329	\$ 1,780,530
Time	429,002	682,270
Teen Initiative	345,214	392,146
School-Community Partnerships	234,647	372,509
STEM	44,756	54,259
Social Emotional Learning	<u>26,353</u>	<u>-</u>
	<u>\$ 2,570,301</u>	<u>\$ 3,281,714</u>

Grants and Contracts Receivable

Grants and contracts receivable consist of contributions for general operating support and various programs. These grants are recorded at the net present value when unconditionally committed. Unconditional grants and contracts receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in grants, contracts and contribution revenue in the statements of activities and changes in net assets. The Agency reviews grants receivable annually and an allowance for uncollectible amounts due is recorded if amounts are deemed uncollectible. There was no allowance deemed necessary at June 30, 2017 and 2016.

Prepaid Expenses

Prepaid expenses included in temporarily restricted net assets represent amounts paid for the Summer Learning Project for the year ended June 30, 2016 (see Note 1 and page 6). There were no prepaid expenses included in temporarily restricted net assets for the year ended June 30, 2017.

BOSTON AFTER SCHOOL & BEYOND, INC.

Notes to Financial Statements
June 30, 2017 and 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2017 and 2016. The Agency's information returns are subject to examination by the Federal and state jurisdictions.

Subsequent Events

Subsequent to year-end, the Agency was selected as one of six cities nationally, from a competitive grant process, for a four-year Partnerships in Social and Emotional Learning Initiative (PSELI) grant. This grant funds a program to learn how schools and their partners can foster a climate for social and emotional learning. The award for year one is in excess of \$1,500,000. Subsequent events have been evaluated through September 25, 2017, which is the date the financial statements were available to be issued. Except as noted above, 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 2017 and 2016 were \$29,301 and \$28,171, respectively. These amounts are included in employee benefits in the accompanying statements of functional expenses.

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 2017 and 2016, and is included in occupancy in the accompanying statements of functional expenses. Future minimum lease payments for fiscal year 2018 are \$45,221.

5. RELATED PARTY TRANSACTIONS

During fiscal years 2017 and 2016, four and three Board members, respectively, were officers of nonprofit organizations that received grants from the Agency. Total grant expense relating to the nonprofit organizations totaled \$188,446 and \$269,981 during fiscal years 2017 and 2016, respectively. Also, during fiscal years 2017 and 2016, the Agency received \$150,000 from a nonprofit 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.

BOSTON AFTER SCHOOL & BEYOND, INC.

Notes to Financial Statements
June 30, 2017 and 2016

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. During fiscal year 2017, the cash balance at the second bank was converted to full FDIC coverage through the Demand Deposit Marketplace (DDM) Program. This program allocates the daily cash balance to other participating banks in the DDM program, with each bank insuring a portion of the cash balance up to that bank's limit for FDIC insurance coverage. At certain times during the year, cash balances at the first bank 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.

Three and two donors represent approximately 85% and 77% of the total outstanding grants and contracts receivable balance as of June 30, 2017 and 2016, respectively. Four and two donors represent approximately 62% and 71% of total operating revenue for fiscal years 2017 and 2016, respectively.