

**Connecticut After School Network, Inc.**

Financial Statements

June 30, 2021 and 2020

## 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, 2021, 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 auditors' 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, 2021, 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.

**Report on Summarized Comparative Information**

We have previously audited Connecticut After School Network, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*PKF O'Connor Davies, LLP*

September 27, 2021

**Connecticut After School Network, Inc.**

Statement of Financial Position  
June 30, 2021  
(with comparative amounts at June 30, 2020)

	2021	2020
<b>ASSETS</b>		
Current Assets		
Cash	\$ 822,133	\$ 602,705
Prepaid expenses	8,430	8,072
Total Current Assets	830,563	610,777
Security deposit	1,463	1,463
Intangible asset, net	50,083	59,167
Furniture and equipment	14,202	14,202
Accumulated depreciation	(14,202)	(14,202)
	\$ 882,109	\$ 671,407
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 3,764	\$ -
Accrued expenses	15,459	14,952
Deferred revenue	36,505	115,421
Current portion of note payable	7,895	-
Total Current Liabilities	63,623	130,373
Note payable	86,865	94,177
Total Liabilities	150,488	224,550
Net Assets Without Donor Restrictions		
Designated for operations	731,621	446,857
	\$ 882,109	\$ 671,407

See Notes to Financial Statements

**Connecticut After School Network, Inc.**

Statement of Activities  
Year Ended June 30, 2021  
(with comparative totals for the year ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>REVENUE AND SUPPORT</b>		
Grants and support fees	\$ 1,205,716	\$ 770,958
Conference and workshop fees	15,378	42,210
Other income	1,673	1,359
Consulting	9,499	40,719
Contributions	78,882	77,663
Membership fees	<u>2,050</u>	<u>6,117</u>
Total Revenue and Support	<u>1,313,198</u>	<u>939,026</u>
<b>EXPENSES</b>		
Program services	891,045	576,652
Management and general	126,474	138,765
Fundraising	<u>10,915</u>	<u>8,156</u>
Total Expenses	<u>1,028,434</u>	<u>723,573</u>
Change in Net Assets	284,764	215,453
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Beginning of year	<u>446,857</u>	<u>231,404</u>
End of year	<u>\$ 731,621</u>	<u>\$ 446,857</u>

See Notes to Financial Statements

**Connecticut After School Network, Inc.**

Statement of Functional Expenses  
Year Ended June 30, 2021  
(with summarized totals for the year ended June 30, 2020)

	Program Services	Management and General	Fundraising	Total Expenses	
				2021	2020
Salaries and wages	\$ 408,656	\$ 44,093	\$ 9,616	\$ 462,365	\$ 452,962
Grants to other organizations	278,314	-	-	278,314	-
Supplies and office expenses	77,137	6,699	-	83,836	9,829
Payroll taxes and benefits	55,116	6,263	1,252	62,631	60,300
Training and conferences	29,861	170	-	30,031	50,366
Amortization	-	24,084	-	24,084	11,833
Occupancy	-	21,618	-	21,618	19,581
Miscellaneous	16,525	938	-	17,463	9,155
Program contract fees	14,450	-	-	14,450	54,500
Professional fees	2,064	8,735	47	10,846	10,058
Telecommunications and website	8,922	776	-	9,698	5,487
Other	-	6,000	-	6,000	3,593
Insurance	-	3,813	-	3,813	3,560
Dues and subscriptions	-	2,904	-	2,904	2,242
Postage	-	243	-	243	532
Travel	-	138	-	138	18,804
Printing	-	-	-	-	10,771
<b>Total Expenses</b>	<b>\$ 891,045</b>	<b>\$ 126,474</b>	<b>\$ 10,915</b>	<b>\$ 1,028,434</b>	<b>\$ 723,573</b>

**Connecticut After School Network, Inc.**

Statement of Cash Flows  
Year Ended June 30, 2021  
(with comparative totals for the year ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 284,764	\$ 215,453
Adjustments to reconcile change in net assets to net cash from operating activities		
Amortization	24,084	11,833
Changes in operating assets and liabilities		
Grants receivable	-	168,652
Prepaid expenses	(358)	(2,007)
Deposit	-	(1,463)
Accounts payable	3,764	(5,029)
Accrued expenses	507	5,672
Deferred revenue	<u>(78,916)</u>	<u>(93,028)</u>
Net Cash from Operating Activities	233,845	300,083
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Website development costs	<u>(15,000)</u>	<u>(71,000)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from note payable	<u>583</u>	<u>94,177</u>
Net Change in Cash	219,428	323,260
 <b>CASH</b>		
Beginning of year	<u>602,705</u>	<u>279,445</u>
End of year	<u>\$ 822,133</u>	<u>\$ 602,705</u>

See Notes to Financial Statements

## Connecticut After School Network, Inc.

Notes to Financial Statements  
June 30, 2021 and 2020

### 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 Presentation***

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

#### ***Net Asset Presentation***

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Brief definitions of the two net asset classes are presented below:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Organization. Net assets without donor restrictions consist of the following:

Designated for operations: Includes all resources of the Organization which are expendable for daily operations.

*Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature or satisfied by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be held in perpetuity. The Organization does not have any net assets with donor restrictions.

#### ***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.



## Connecticut After School Network, Inc.

Notes to Financial Statements  
June 30, 2021 and 2020

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Cash***

The cash balance varies throughout the year, but is generally fully insured by the Federal Deposit Insurance Corporation.

#### ***Intangible Assets***

Intangible assets with a cost of \$5,000 or more are capitalized at cost. Amortization is computed based on the estimated useful life of the asset using the straight-line method. Intangible assets consist of website development costs being amortized over a three year useful life with a cost of \$86,000 as of June 30, 2021. The amount of amortization charged during the year ended June 30, 2021 and 2020 was \$24,084 and \$11,833. Amortization expense will be \$23,666, \$23,666 and \$2,751 in 2022, 2023 and 2024.

#### ***Deferred Revenue***

Grants, membership dues and contracts that pertain to the time period subsequent to year end are deferred until the next fiscal year.

#### ***Property and Equipment***

Property and equipment with a cost of \$1,500 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. As of June 30, 2021 and 2020, property and equipment of \$14,202 is fully depreciated and still in use.

#### ***Grants and Support Fees***

A portion of the Organization's revenue is derived from cost-reimbursable state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with the specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

#### ***Contributions***

Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. If no donor restrictions exist or if the donor restrictions expire during the reporting period in which the support is recognized, the donation is recorded as an increase in net assets without donor restrictions. All other donor-restricted support is reported as net assets with donor restrictions. When a restriction expires the amounts are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

## Connecticut After School Network, Inc.

Notes to Financial Statements  
June 30, 2021 and 2020

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***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 years ended June 30, 2021 and 2020 was valued at \$1,200 each year.

#### ***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 based on time incurred.
- Administrative and general costs that cannot be specifically identified with a program, are allocated based on estimates made by management. Payroll, benefits and insurance costs are allocated based on time spent by employees on program and management insurances.

#### ***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, 2018.

## Connecticut After School Network, Inc.

Notes to Financial Statements  
June 30, 2021 and 2020

### 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 and cash equivalents. Cash and 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.

One grant accounted for 20% and 32% of total grant revenue for the years ended June 30, 2021 and 2020. 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.

#### ***Prior Year Data***

The financial statements include certain prior year summarized comparative information in total, but not by natural expense for each functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements as of and for the year ended June 30, 2020 from which the summarized information was derived.

#### ***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 September 27, 2021.

### 3. Leases

On May 1, 2014, the Organization entered into a lease agreement for use of office space in Hartford, Connecticut for a period of five years, which ended in April 2019 and has continued on a month to month basis. The lease requires monthly rent payments in the amount of \$716 in addition to common area charges. Total rent expense for each of the years ended June 30, 2021 and 2020 was \$20,418 and \$19,581.

### 4. 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 years ended June 30, 2021 and 2020.

### 5. Risks and Uncertainties

On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic which remains a rapidly evolving situation. The extent of the impact of COVID-19 on operations and financial results will depend on future developments, including the duration and spread of the outbreak within the markets in which the Organization operates. The full extent of any potential adverse impact on the Organization's changes in net assets, financial position and cash flows cannot be reasonably estimated at this time.

## Connecticut After School Network, Inc.

Notes to Financial Statements  
June 30, 2021 and 2020

### 6. Note Payable

On April 22, 2020, the Organization qualified and received a \$94,177 Paycheck Protection Program Loan (the "PPP Loan"), a program implemented by the U.S. Small Business Administration ("SBA") under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender. The Organization elected to report the PPP proceeds as a conditional grant under the requirements of ASU 2018-08. Accordingly, the Organization recognizes income as the conditions of the PPP loan are met. This loan was forgiven on December 24, 2020 and is included in grant revenue on the statement of activities.

On April 5, 2021, the Organization qualified and received a second \$94,760 PPP Loan. The PPP Loan bears interest at a fixed rate of 1% with the first ten months of interest deferred, a term of five years, and is unsecured and guaranteed by the SBA. The principal amount outstanding is forgivable if the Organization expends the proceeds on allowable expenses and maintains certain personnel levels over a period of 24 weeks from the date of the loan. The Organization intends to apply for forgiveness of the PPP Loan. To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest and principal through the maturity date. Future maturities are as follows for the years ending June 30:

2022	\$ 7,895
2023	18,948
2024	18,948
2025	18,948
2026	18,948
Thereafter	<u>11,073</u>
	<u>\$ 94,760</u>

### 7. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, are as follows:

	<u>2021</u>	<u>2020</u>
Cash	<u>\$ 822,133</u>	<u>\$ 602,705</u>
	<u>\$ 822,133</u>	<u>\$ 602,705</u>

The Organization monitors its budget and cash flows and structures its financial assets to be available as its general expenditures and other liabilities come due.

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