

APPRENTICE LEARNING, INC.

**Financial Statements
June 30, 2017
(With Comparative Totals for 2016)**

APPRENTICE LEARNING, INC.
FINANCIAL STATEMENTS
JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

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To the Board of Trustees of
Apprentice Learning, Inc.
Milton, Massachusetts

Independent Accountants' Review Report

We have reviewed the accompanying financial statements of Apprentice Learning, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

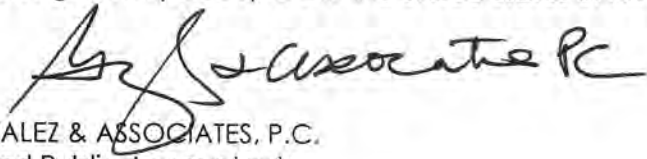
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



GONZALEZ & ASSOCIATES, P.C.
Certified Public Accountants

Stoughton, Massachusetts
December 22, 2017

APPRENTICE LEARNING, INC.

STATEMENT OF FINANCIAL POSITION
 JUNE 30, 2017
 (WITH COMPARATIVE TOTALS FOR 2016)

ASSETS

	<u>2017</u>	<u>2016</u>
<u>Current Assets</u>		
Cash	\$ 231,281	\$ 103,517
Pledges receivable	50,000	100,000
Prepaid expenses	3,705	
Total current assets	<u>284,986</u>	<u>203,517</u>
 <u>Property and Equipment</u>		
Equipment	536	536
Computer	2,516	1,099
Subtotal	<u>3,052</u>	<u>1,635</u>
Less: accumulated depreciation	(1,390)	(756)
Total property and equipment	<u>1,662</u>	<u>879</u>
 <u>Total Assets</u>	 <u><u>\$ 286,648</u></u>	 <u><u>\$ 204,396</u></u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accrued expenses	\$ 6,258	\$ 3,114
Accrued payroll and related liabilities	10,228	
Total current liabilities	<u>16,486</u>	<u>3,114</u>
 <u>Net Assets</u>		
Unrestricted	205,162	101,282
Temporarily restricted	65,000	100,000
Total net assets	<u>270,162</u>	<u>201,282</u>
 <u>Total Liabilities and Net Assets</u>	 <u><u>\$ 286,648</u></u>	 <u><u>\$ 204,396</u></u>

See accompanying notes and Independent Accountants' Review Report.

APPRENTICE LEARNING, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
<u>Support and Revenue</u>				
Grants and contributions	\$ 314,475	\$ 52,500	\$ 366,975	\$ 227,955
Released from restrictions	87,500	(87,500)		
Program service revenue	2,584		2,584	11,750
Interest and dividends	1		1	
Realized gain on investments	167		167	
Total support and revenue	<u>404,727</u>	<u>(35,000)</u>	<u>369,727</u>	<u>239,705</u>
<u>Expenses</u>				
Program services	265,420		265,420	156,671
General and administrative	26,829		26,829	15,542
Fundraising	8,598		8,598	9,085
Total expenses	<u>300,847</u>		<u>300,847</u>	<u>181,298</u>
<u>Change in Net Assets</u>	103,880	(35,000)	68,880	58,407
<u>Net Assets - Beginning of Year</u>	<u>101,282</u>	<u>100,000</u>	<u>201,282</u>	<u>142,875</u>
<u>Net Assets - End of Year</u>	<u>\$ 205,162</u>	<u>\$ 65,000</u>	<u>\$ 270,162</u>	<u>\$ 201,282</u>

See accompanying notes and Independent Accountants' Review Report.

APPRENTICE LEARNING, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	2017				2016
	Program Services	General and Administrative	Fundraising	Total	Total
Salaries	\$ 202,224	\$ 14,063	\$ 3,906	\$ 220,193	\$ 133,929
Payroll taxes	17,684	1,153	385	19,222	12,144
Total salaries and related expenses	219,908	15,216	4,291	239,415	146,073
Advertising					250
Board expense		795		795	656
Consultants	14,700	900	1,208	16,808	15,414
Depreciation	583	38	13	634	263
Events			2,732	2,732	45
Fees		688		688	143
Food	1,430			1,430	1,518
Insurance	4,806	1,636	99	6,541	4,532
Meetings and conferences	215	354		569	713
Miscellaneous					61
Office supplies	1,180	103	25	1,308	2,001
Payroll processing fees		830		830	765
Postage	77	5	2	84	82
Printing	81	578		659	264
Professional fees		5,002		5,002	4,010
Program space rental	350			350	
Program supplies	2,206			2,206	1,460
Rent	9,200	600	200	10,000	
Stipends	5,118			5,118	
Telephone and internet	1,288	84	28	1,400	1,107
Training	330			330	
Travel	2,715			2,715	991
Website	1,233			1,233	950
Total	<u>\$ 265,420</u>	<u>\$ 26,829</u>	<u>\$ 8,598</u>	<u>\$ 300,847</u>	<u>\$ 181,298</u>

See accompanying notes and Independent Accountants' Review Report.

APPRENTICE LEARNING, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	<u>2017</u>	<u>2016</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 68,880	\$ 58,407
Adjustment to reconcile change in net assets to cash provided (used) by operations:		
Donated stock	(54,836)	
Depreciation	634	263
(Increase) decrease in:		
Pledges receivable	50,000	(100,000)
Prepaid expenses	(3,705)	
Increase (decrease) in:		
Accrued expenses	3,144	(2,342)
Accrued payroll and related liabilities	10,228	
	<u>74,345</u>	<u>(43,672)</u>
<u>Net Cash Provided (Used) by Operating Activities</u>		
<u>Cash Flows From Investing Activities</u>		
Proceeds from sale of stock	54,836	
Purchase of equipment	(1,417)	(1,099)
	<u>53,419</u>	<u>(1,099)</u>
<u>Net Cash Provided (Used) by Investing Activities</u>		
<u>Cash Flows From Financing Activities</u>	<u>0</u>	<u>0</u>
<u>Net Cash Provided by Financing Activities</u>	<u>0</u>	<u>0</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	127,764	(44,771)
<u>Cash and Cash Equivalents - Beginning of Year</u>	<u>103,517</u>	<u>148,288</u>
<u>Cash and Cash Equivalents - End of Year</u>	<u>\$ 231,281</u>	<u>\$ 103,517</u>
Interest paid	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes and Independent Accountants' Review Report.

APPRENTICE LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

Note 1. Organization

Apprentice Learning, Inc. was organized in the Commonwealth of Massachusetts on July 24, 2012 as a not-for-profit Organization.

Mission:

Apprentice Learning, Inc. provides real-world work experiences for middle school students. Our programs leverage career exploration to teach skills and to nurture dreams.

The challenge:

Under-resourced middle school students in Boston schools do not have access to adequate opportunities to learn workplace skills and develop mindsets that prepare them for success in their future education and careers. This puts them at risk of disengagement in high school and highly limited employment opportunities. Apprentice Learning can begin to address these deficiencies early.

How we address it:

Apprentice Learning, Inc. teaches the knowledge, skills and abilities of positive work habits and builds career aspirations beginning in middle school by giving youth exposure to workplace culture and the practice of work.

Apprentice Learning, Inc. offers career education programs for seventh and eighth-grade students in Boston public schools designed to improve self-reliance, gain confidence and ultimately teach the essential skills to help them get and keep a job. By teaching essential work skills and habits and exposing students to different careers and adults who are passionate about their professions, Apprentice Learning, Inc. makes a clear connection between success in school and a satisfying, productive work life.

Apprentice Learning, Inc. offers four programs—Workplace Explorations, Apprenticeships and Launch are school-based, academic-year and a summer program for rising ninth grade girls, City Summer Internship—all deliberately designed to include preparation for both the students and work site hosts. All of Apprentice Learning's programs are focused on developing the following critical workplace skills in students: communication and self-presentation, perseverance, reliability, self-reliance, resume writing and networking.

Note 2. Summary of Significant Accounting Policies

- a. Standards of Accounting and Reporting
The Organization follows the standards of accounting and financial reporting as described in the American Institute of Certified Public Accountants' Audit and Accounting Guide for "Not-For-Profit Organizations."
- b. Financial Statement Presentation
The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

APPRENTICE LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

- h. Restricted and Unrestricted Revenue and Support
Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose, restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- i. Summarized Comparative Financial Statements
The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended 2016 from which the summarized information was derived.

Note 3. Tax Status

Apprentice Learning, Inc. is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and accordingly, no provision for income taxes is included in the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an Organization that is not a private foundation under Section 509(a)(1).

Note 4. Compensated Absences

Vacation and sick pay are considered expenditures in the year paid. Upon termination, the employee is compensated for any accrued but unused vacation pay. At June 30, 2017, the Organization had no unrecorded vacation pay.

Note 5. Related Party Transactions

The Executive Director of the Organization is also a board member and serves as President. Compensation is for employee services only and is determined and approved by independent board members.

Note 6. Substantial Support

During fiscal year 2017, the Organization received substantial support from one donor, which represents 62% of the Organization's total support and revenue for the year.

APPRENTICE LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

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APPRENTICE LEARNING, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

(Continued)

Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2017 consist of the following:

Time Restricted	\$ 65,000
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Note 8. Pledges Receivable

Pledges receivable was \$50,000 as of June 30, 2017. The balance is due to be collected in fiscal year 2018.

Note 9. Rent

In September 2016, the Organization began renting office space on a tenant at will basis. Monthly rent payments are \$1,000. Rent expenses for office space totaled \$10,000 for the year ended June 30, 2017.

In addition, Apprentice Learning, Inc. periodically leases space for program use. Program space rental for the year ended June 30, 2017 totaled \$350.

Note 10. Date of Management's Review

Subsequent events were evaluated through December 22, 2017 which is the date the financial statements were available to be issued.