

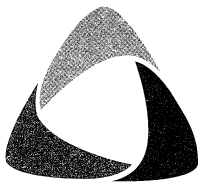


**FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

BOSTON AFTER SCHOOL & BEYOND, INC.

Contents
June 30, 2015 and 2014

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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, 2015 and 2014, 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, 2015 and 2014, 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, Cronin, Fenning & Co., P.C.

Boston, Massachusetts
October 28, 2015

BOSTON AFTER SCHOOL & BEYOND, INC.

 Statements of Financial Position
 June 30, 2015 and 2014

Assets	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Current Assets:						
Cash and cash equivalents	\$ 588,626	\$ 1,048,588	\$ 1,637,214	\$ 1,017,932	\$ 2,709,459	\$ 3,727,391
Grants receivable	156,379	1,570,000	1,726,379	28,038	1,166,497	1,194,535
Other receivables	-	-	-	11,018	-	11,018
Prepaid expenses	15,702	62,113	77,815	15,566	101,664	117,230
Total current assets	760,707	2,680,701	3,441,408	1,072,554	3,977,620	5,050,174
Other Assets	5,025	-	5,025	5,025	-	5,025
Total assets	\$ 765,732	\$ 2,680,701	\$ 3,446,433	\$ 1,077,579	\$ 3,977,620	\$ 5,055,199
Liabilities and Net Assets						
Current Liabilities:						
Accounts payable	\$ 25,502	\$ -	\$ 25,502	\$ 93,165	\$ -	\$ 93,165
Grants payable	160,164	-	160,164	284,160	-	284,160
Accrued expenses	101,927	-	101,927	233,581	-	233,581
Total current liabilities	287,593	-	287,593	610,906	-	610,906
Net Assets:						
Unrestricted	478,139	-	478,139	466,673	-	466,673
Temporarily restricted	-	2,680,701	2,680,701	-	3,977,620	3,977,620
Total net assets	478,139	2,680,701	3,158,840	466,673	3,977,620	4,444,293
Total liabilities and net assets	\$ 765,732	\$ 2,680,701	\$ 3,446,433	\$ 1,077,579	\$ 3,977,620	\$ 5,055,199

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, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Support:						
Grants and contributions	\$ 308,564	\$ 1,453,595	\$ 1,762,159	\$ 760,516	\$ 2,435,228	\$ 3,195,744
Donated services	27,354	-	27,354	73,500	-	73,500
Interest, reimbursements, and other	9,816	-	9,816	15,626	-	15,626
Net assets released from purpose restrictions	2,575,514	(2,575,514)	-	3,147,219	(3,147,219)	-
Net assets released from time restrictions	175,000	(175,000)	-	75,000	(75,000)	-
Total revenue and support	3,096,248	(1,296,919)	1,799,329	4,071,861	(786,991)	3,284,870
Expenses:						
Program services	2,758,410	-	2,758,410	3,700,795	-	3,700,795
General and administrative	300,624	-	300,624	268,712	-	268,712
Fundraising	25,748	-	25,748	34,956	-	34,956
Total expenses	3,084,782	-	3,084,782	4,004,463	-	4,004,463
Changes in net assets	11,466	(1,296,919)	(1,285,453)	67,398	(786,991)	(719,593)
Net Assets:						
Beginning of year	466,673	3,977,620	4,444,293	399,275	4,764,611	5,163,886
End 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>

The accompanying notes are an integral part of these statements.

BOSTON AFTER SCHOOL & BEYOND, INC.

Statements of Cash Flows

For the Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ (1,285,453)	\$ (719,593)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	-	495
Bad debt	2,313	-
Changes in operating assets and liabilities:		
Grants receivable	(534,157)	582,219
Other receivables	11,018	4,324
Prepaid expenses	39,415	(106,637)
Other assets	-	2,066
Accounts payable	(67,663)	(26,699)
Grants payable	(123,996)	(126,840)
Accrued expenses	(131,654)	119,249
	<u>(2,090,177)</u>	<u>(271,416)</u>
Net cash used in operating activities	(2,090,177)	(271,416)
Cash and Cash Equivalents:		
Beginning of year	<u>3,727,391</u>	<u>3,998,807</u>
End of year	<u><u>\$ 1,637,214</u></u>	<u><u>\$ 3,727,391</u></u>

The accompanying notes are an integral part of these statements.

BOSTON AFTER SCHOOL & BEYOND, INC.

 Statements of Functional Expenses
 For the Years Ended June 30, 2015 and 2014

	2015				2014			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Grants to Others	\$ 1,585,582	\$ -	\$ -	\$ 1,585,582	\$ 2,205,146	\$ -	\$ -	\$ 2,205,146
Personnel and Related:								
Salaries	405,423	150,131	18,271	573,825	423,728	117,316	24,591	565,635
Employee benefits	46,594	18,670	2,074	67,338	59,301	12,408	2,882	74,591
Payroll taxes	33,825	12,180	1,575	47,580	35,445	5,783	2,072	43,300
Total personnel and related	485,842	180,981	21,920	688,743	518,474	135,507	29,545	683,526
Other:								
Professional fees	408,247	58,655	51	466,953	544,921	85,079	125	630,125
Supplies	112,158	1,299	22	113,479	209,227	-	-	209,227
Occupancy	52,246	14,297	1,205	67,748	55,003	16,629	1,836	73,468
Travel	51,025	639	45	51,709	43,760	1,179	306	45,245
Meetings and events	34,208	6,108	159	40,475	35,560	5,829	324	41,713
Donated services	-	27,354	-	27,354	66,150	7,350	-	73,500
Dues and subscriptions	13,716	655	1,590	15,961	168	2,660	2,164	4,992
Communication	9,265	2,397	198	11,860	11,111	2,726	291	14,128
Office	1,499	3,729	31	5,259	1,411	7,189	265	8,865
Insurance	1,589	1,889	36	3,514	1,933	2,159	64	4,156
Marketing and promotion	1,000	2,160	-	3,160	80	80	-	160
Printing	1,639	383	488	2,510	6,001	1,546	3	7,550
Postage	394	78	3	475	1,439	188	20	1,647
Equipment maintenance	-	-	-	-	411	96	13	520
Depreciation	-	-	-	-	-	495	-	495
Total other	686,986	119,643	3,828	810,457	977,175	133,205	5,411	1,115,791
Total expenses	\$ 2,758,410	\$ 300,624	\$ 25,748	\$ 3,084,782	\$ 3,700,795	\$ 268,712	\$ 34,956	\$ 4,004,463

The accompanying notes are an integral part of these statements.

BOSTON AFTER SCHOOL & BEYOND, INC.

Notes to Financial Statements
June 30, 2015 and 2014

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 – The Summer Learning Project was established as a new initiative during fiscal year 2010. Summer vacations cause a drain in the learning momentum of students and make it difficult for them to gear up for the upcoming school year. Research shows that summer learning loss disproportionately affects low-income youth, and the effects of this phenomenon are cumulative over time. The goal of this initiative is to decrease that erosion of learning and to close the opportunity gap between low-income students and their higher-income peers. While the main activities are centered on supporting and increasing learning opportunities during the summer vacation period, the Community is a year-round initiative that evaluates out-of-school time learning and promotes continued learning and professional development opportunities year-round. The program connects schools with community organizations that provide educational experiences and provides grants to execute these summer learning programs.

Teen Initiative – The Teen Initiative brings together individual community-based organizations to strengthen collective efforts to serve high school youth and to explore innovative approaches that connect the classroom to the community. During fiscal year 2013, it began piloting a Credit-bearing program with Boston Public Schools to provide high school credits for out-of-school time activities. This activity continues through fiscal year 2015 and beyond. In fiscal year 2015, the initiative, in partnership with the Rennie Center for Education Research & Policy, developed a new taxonomy that illustrates different community-based credit-bearing options in the Boston Public Schools.

School-Community Partnerships – This initiative evaluates ways to “Advance Quality Partnerships” within selected schools. The mission is to promote academic progress and social-emotional growth during the school year, while providing principals with models for coherent and measurable school partnerships. The AQP Initiative provides support for school improvement strategies that integrate academics, social-emotional supports, and expanded learning opportunities through school-community partnerships. This Agency program also introduces and evaluates STEM concepts in schools.

Data Strategy – A unifying feature of the Agency initiatives is the suite of assessment and observational tools that incorporate multiple perspectives of observation and unite the city around a common youth agenda. Together, these tools provide detailed information on individual student-level outcomes and measures of program quality. It provides a new model for evaluating and measuring the effectiveness of programs and student progress. Additionally, the Agency operates and manages Cityspan – a citywide database that facilitates the sharing and reporting of program data for accountability & quality improvement. As a precursor to current data strategy efforts, BOSTONavigator remains the largest source of information on after-school and summer programs in the city. This online, searchable database includes more than 600 organizations and 1,500 program opportunities. It is managed by the Agency and hosted by the City of Boston (the City). Since the database is now managed by the City, the program is no longer a separate initiative of the Agency. Its activities cut across the other Agency programs.

BOSTON AFTER SCHOOL & BEYOND, INC.

Notes to Financial Statements
June 30, 2015 and 2014

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, 2015 and 2014

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 which totaled \$27,354 and \$73,500 for fiscal years 2015 and 2014, 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, 2015 and 2014**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 and are included in other assets in the accompanying statements of financial position as of June 30, 2015 and 2014:

Furniture, fixtures and equipment	\$ 37,588
Leasehold improvements	<u>9,207</u>
	46,795
Less - accumulated depreciation	<u>46,795</u>
	<u>\$ -</u>

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>2015</u>	<u>2014</u>
Summer Learning Project	\$ 1,916,991	\$ 2,377,405
School-Community Partnerships	423,886	1,103,480
STEM	174,494	37,008
Teen Initiative	117,295	284,727
Time	<u>48,035</u>	<u>175,000</u>
	<u>\$ 2,680,701</u>	<u>\$ 3,977,620</u>

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, 2015 and 2014.

BOSTON AFTER SCHOOL & BEYOND, INC.

Notes to Financial Statements
June 30, 2015 and 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses

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

	<u>2015</u>	<u>2014</u>
Summer Learning Project	\$ 45,363	\$ 101,664
School-Community Partnerships	<u>16,750</u>	<u>-</u>
	<u>\$ 62,113</u>	<u>\$ 101,664</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, 2015 and 2014. The Agency's information returns are subject to examination by the Federal and state jurisdictions and generally remain open for the most recent three years.

Subsequent Events

Subsequent events have been evaluated through October 28, 2015, 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 makes a matching contribution equal to 100% of employee contributions up to 5% of each employee's salary to the Plan on a yearly basis. Employees can be fully vested in the Plan after three years, and are eligible for 50% vesting after two years.

The Agency's contribution for the fiscal years 2015 and 2014, were \$16,866 and \$21,895, 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, 2015 and 2014

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 2015 and 2014, and is included in occupancy in the accompanying statements of functional expenses. Future minimum lease payments are as follows:

<u>Fiscal Year</u>	
2016	\$ 60,294
2017	\$ 60,294
2018	\$ 45,221

5. 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.

Three and one donors represent approximately 80% and 90% of the total outstanding grants receivable balance as of June 30, 2015 and 2014, respectively. One and three donors represent approximately 46% and 77% of total operating revenue for fiscal years 2015 and 2014, respectively.