

Partnership for After School Education

Financial Statements

June 30, 2016 and 2015

Independent Auditors' Report

Board of Directors Partnership for After School Education

We have audited the accompanying financial statements of Partnership for After School Education ("PASE"), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses and cash flows 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.

Auditors' 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 audit 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 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 Partnership for After School Education as of June 30, 2016 and 2015 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

PKF O'Connor Davies, LLP

November 10, 2016

Partnership for After School Education

Statements of Financial Position

	June 30,	
	2016	2015
ASSETS		
Cash and cash equivalents	\$ 216,603	\$ 219,320
Cash held for others	-	2,149
Accounts receivable	97,083	32,665
Grants receivable	-	164,685
Prepaid expenses and other assets	38,801	41,085
Property and equipment, net	<u>74,327</u>	<u>125,009</u>
	<u>\$ 426,814</u>	<u>\$ 584,913</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 28,480	\$ 22,527
Custodial funds	-	2,149
Refundable advances	3,900	4,145
Deferred rent	-	18,426
Capital lease obligation	59,850	83,790
Security deposit payable	<u>8,400</u>	<u>8,400</u>
Total Liabilities	<u>100,630</u>	<u>139,437</u>
Net Assets		
Unrestricted	39,212	20,517
Temporarily restricted	<u>286,972</u>	<u>424,959</u>
Total Net Assets	<u>326,184</u>	<u>445,476</u>
	<u>\$ 426,814</u>	<u>\$ 584,913</u>

See notes to financial statements

Partnership for After School Education

Statement of Activities Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE			
Grants and contributions	\$ 289,827	\$ 703,013	\$ 992,840
In-kind contributions	22,500	-	22,500
Special events, net of direct benefit to donors of \$173,436	353,654	-	353,654
Contract and program fees	192,720	-	192,720
Rental and other income	116,100	-	116,100
Interest and dividend income	25	-	25
Net assets released from restrictions	841,000	(841,000)	-
Total Public Support and Revenue	1,815,826	(137,987)	1,677,839
OPERATING EXPENSES			
Program Services	1,311,557	-	1,311,557
Supporting Services			
Administrative and general	187,682	-	187,682
Fundraising	247,210	-	247,210
Total Supporting Services	434,892	-	434,892
Total Operating Expenses	1,746,449	-	1,746,449
Excess (Deficiency) of Public Support and Revenue over Operating Expenses Before Depreciation and Amortization	69,377	(137,987)	(68,610)
Depreciation and amortization	(50,682)	-	(50,682)
Change in Net Assets	18,695	(137,987)	(119,292)
NET ASSETS			
Beginning of year	20,517	424,959	445,476
End of year	\$ 39,212	\$ 286,972	\$ 326,184

See notes to financial statements

Partnership for After School Education

Statement of Activities Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE			
Grants and contributions	\$ 340,355	\$ 432,969	\$ 773,324
In-kind contributions	22,500	-	22,500
Special events, net of direct benefit to donors of \$189,890	316,168	-	316,168
Contract and program fees	153,084	-	153,084
Rental and other income	133,626	-	133,626
Interest and dividend income	53	-	53
Net assets released from restrictions	<u>879,900</u>	<u>(879,900)</u>	<u>-</u>
Total Public Support and Revenue	<u>1,845,686</u>	<u>(446,931)</u>	<u>1,398,755</u>
OPERATING EXPENSES			
Program Services	<u>1,340,581</u>	<u>-</u>	<u>1,340,581</u>
Supporting Services			
Administrative and general	244,036	-	244,036
Fundraising	<u>200,189</u>	<u>-</u>	<u>200,189</u>
Total Supporting Services	<u>444,225</u>	<u>-</u>	<u>444,225</u>
Total Operating Expenses	<u>1,784,806</u>	<u>-</u>	<u>1,784,806</u>
Excess (Deficiency) of Public Support and Revenue over Operating Expenses Before Depreciation and Amortization	60,880	(446,931)	(386,051)
Depreciation and amortization	<u>(52,087)</u>	<u>-</u>	<u>(52,087)</u>
Change in Net Assets	8,793	(446,931)	(438,138)
NET ASSETS			
Beginning of year	<u>11,724</u>	<u>871,890</u>	<u>883,614</u>
End of year	<u>\$ 20,517</u>	<u>\$ 424,959</u>	<u>\$ 445,476</u>

See notes to financial statements

Partnership for After School Education

Statement of Functional Expenses Year Ended June 30, 2016

	College Prep and Success	Pasesetter	Summer Learning	Leadership, Outcomes and Other Professional Development	Global Learning	STEM	Total Program Services	Adminstrative and General	Fundraising	Total Supporting Services	Total
PERSONNEL											
Salaries	\$ 85,285	\$ 44,610	\$ 56,704	\$ 119,314	\$ 127,598	\$ 75,047	\$ 508,558	\$ 86,870	\$ 94,203	\$ 181,073	\$ 689,631
Fringe benefits	18,577	9,717	12,345	25,981	27,783	16,339	110,742	18,923	20,514	39,437	150,179
Total Personnel Costs	103,862	54,327	69,049	145,295	155,381	91,386	619,300	105,793	114,717	220,510	839,810
OTHER THAN PERSONNEL COSTS											
Stipends	-	25,000	61,600	51,000	18,000	17,657	173,257	-	-	-	173,257
Professional and consulting fees	9,312	4,871	6,188	13,023	13,927	8,190	55,511	29,985	10,283	40,268	95,779
Occupancy	40,746	21,312	27,076	56,986	60,938	35,838	242,896	41,504	44,996	86,500	329,396
Telephone and communications	3,251	1,700	2,160	4,547	4,862	2,859	19,379	3,312	3,725	7,037	26,416
Supplies and office expenses	1,656	866	1,101	2,316	2,477	1,457	9,873	1,687	1,829	3,516	13,389
Postage and mailing	675	382	449	944	1,010	594	4,054	688	798	1,486	5,540
Event catering and presentation	-	-	17	13,655	-	-	13,672	-	54,704	54,704	68,376
Travel and related expenses	118	62	859	165	177	104	1,485	120	130	250	1,735
Dues and subscriptions	492	258	327	689	736	433	2,935	502	1,624	2,126	5,061
Printing and copying	55	29	37	78	83	49	331	57	61	118	449
Workshops, meetings and conferences	20,578	878	5,106	73,623	32,261	16,195	148,641	1,691	1,833	3,524	152,165
Equipment rental, repairs and maintenance	106	55	70	148	159	93	631	108	117	225	856
Bad debt	-	-	-	-	-	-	-	-	9,971	9,971	9,971
Advertising	10	5	7	14	15	9	60	10	11	21	81
Insurance	1,666	872	1,107	2,330	2,492	1,466	9,933	1,697	1,840	3,537	13,470
Staff development and training	6	3	4	6,284	10	6	6,313	7	7	14	6,327
Bank and merchant fees	390	204	259	789	584	343	2,569	398	431	829	3,398
Miscellaneous	119	63	80	169	180	106	717	123	133	256	973
Total Expenses Before Depreciation and Amortization	183,042	110,887	175,496	372,055	293,292	176,785	1,311,557	187,682	247,210	434,892	1,746,449
Depreciation and amortization	6,270	3,279	4,166	8,768	9,376	5,514	37,373	6,386	6,923	13,309	50,682
Total Expenses	\$ 189,312	\$ 114,166	\$ 179,662	\$ 380,823	\$ 302,668	\$ 182,299	\$ 1,348,930	\$ 194,068	\$ 254,133	\$ 448,201	\$ 1,797,131

See notes to financial statements

Partnership for After School Education

Statement of Functional Expenses Year Ended June 30, 2015

	College Prep and Success	Passetter	Summer Learning	Leadership, Outcomes and Other Professional Development	Global Learning	STEM	Total Program Services	Administrative and General	Fundraising	Total Supporting Services	Total
PERSONNEL											
Salaries	\$ 112,981	\$ 49,840	\$ 57,617	\$ 108,840	\$ 146,321	\$ 87,224	\$ 562,823	\$ 115,913	\$ 84,655	\$ 200,568	\$ 763,391
Fringe benefits	24,094	10,631	12,291	23,215	31,208	18,608	120,047	24,712	18,054	42,766	162,813
Total Personnel Costs	137,075	60,471	69,908	132,055	177,529	105,832	682,870	140,625	102,709	243,334	926,204
OTHER THAN PERSONNEL COSTS											
Stipends	-	25,000	52,500	-	21,035	-	98,535	-	-	-	98,535
Professional and consulting fees	11,756	5,187	6,097	11,677	15,227	9,079	59,023	13,058	8,809	21,867	80,890
Occupancy	49,427	21,808	25,214	47,624	64,021	38,172	246,266	50,696	37,037	87,733	333,999
Telephone and communications	3,637	1,605	1,856	3,505	4,711	2,809	18,123	3,869	2,726	6,595	24,718
Supplies and office expenses	1,416	625	722	3,075	1,834	1,094	8,766	1,453	1,061	2,514	11,280
Postage and mailing	-	-	-	316	-	-	316	3,336	131	3,467	3,783
Event catering and presentation	-	-	-	-	-	-	-	-	44,426	44,426	44,426
Travel and related expenses	-	-	-	1,917	-	488	2,405	-	-	-	2,405
Dues and subscriptions	-	-	-	198	-	-	198	3,243	297	3,540	3,738
Printing and copying	378	167	193	365	490	292	1,885	388	284	672	2,557
Workshops, meetings and conferences	35,096	-	2,759	83,874	33,413	36,180	191,322	19,719	35	19,754	211,076
Equipment rental, repairs and maintenance	105	46	54	101	136	81	523	108	79	187	710
Bad debt	-	10,000	-	-	-	-	10,000	-	-	-	10,000
Insurance	3,358	1,482	1,713	3,236	4,350	2,593	16,732	3,444	2,516	5,960	22,692
Staff development and training	-	-	-	605	-	-	605	976	79	1,055	1,660
Bank and merchant fees	-	2,693	-	305	-	-	2,998	2,923	-	2,923	5,921
Miscellaneous	-	-	14	-	-	-	14	198	-	198	212
Total Expenses Before Depreciation and Amortization	242,248	129,084	161,030	288,853	322,746	196,620	1,340,581	244,036	200,189	444,225	1,784,806
Depreciation and amortization	7,708	3,401	3,932	7,427	9,984	5,953	38,405	7,906	5,776	13,682	52,087
Total Expenses	\$ 249,956	\$ 132,485	\$ 164,962	\$ 296,280	\$ 332,730	\$ 202,573	\$ 1,378,986	\$ 251,942	\$ 205,965	\$ 457,907	\$ 1,836,893

See notes to financial statements

Partnership for After School Education

Statements of Cash Flows

	<u>Year Ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (119,292)	\$ (438,138)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	50,682	52,087
Bad debt	9,971	10,000
Gain on disposal of fixed assets	-	(693)
Amortization of deferred rent	(18,426)	(22,111)
Change in operating assets and liabilities		
Accounts receivable	(74,389)	(6,912)
Grants receivable	164,685	390,602
Prepaid expenses and other assets	2,284	(3,258)
Accounts payable and accrued expenses	5,953	(31,334)
Refundable advances	(245)	(8,940)
Net Cash from Operating Activities	<u>21,223</u>	<u>(58,697)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>-</u>	<u>(243)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital lease obligation	<u>(23,940)</u>	<u>(23,940)</u>
Net Change in Cash and Cash Equivalents	(2,717)	(82,880)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>219,320</u>	<u>302,200</u>
End of year	<u>\$ 216,603</u>	<u>\$ 219,320</u>

See notes to financial statements

Partnership for After School Education

Notes to Financial Statements
June 30, 2016 and 2015

1. Organization and Tax Status

The Partnership for After School Education ("PASE") is a child-focused organization that promotes and supports quality after school programs, particularly those serving young people from underserved communities.

PASE accomplishes this mission by building the capacity of individual afterschool staff, youth-serving organizations, and the field as a whole, all with the goal of increasing the availability of quality services to youth in out of school time. PASE is the only organization connecting the more than 1,600 organizations that serve New York City's youth in out of school time.

PASE is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Net Assets Presentation

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of PASE and changes therein are classified as unrestricted, temporarily restricted or permanently restricted. Unrestricted net assets provide support for PASE's general operations. Temporarily restricted net assets consist of gifts and grants received that are subject to donor imposed restrictions for certain purposes or are time restricted. Permanently restricted net assets are contributions and other inflows of assets whose use by PASE is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of PASE pursuant to those stipulations. At June 30, 2016 and 2015, PASE had no permanently restricted net assets.

Cash and Cash Equivalent

For the purpose of the statement of cash flows, cash and cash equivalents include highly liquid investments with a maturity of three months or less at the time of purchase.

Receivables

Contributions and grants are recognized as revenue when an unconditional promise to give is made. Receivables reflected in the financial statements are continually evaluated by management for collectability. Management has concluded that all receivables at June 30, 2016 and 2015 are collectible.

Partnership for After School Education

Notes to Financial Statements
June 30, 2016 and 2015

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

Property and Equipment

Purchases of property and equipment with a cost of \$500 or more and useful lives of more than one year are stated at cost and depreciated using the straight-line method over their estimated useful lives, which range from 3 to 10 years. Gain or loss from disposition is reflected in the statement of activities in the period of disposition. The cost of maintenance and repairs is charged to expense as incurred, whereas significant renewals and betterments are capitalized. Leasehold improvements are amortized over the shorter of the term of the lease, inclusive of all renewal periods which are reasonably assured, or the estimated useful life of the asset.

Refundable Advances

PASE receives deposits for special events to be held at a future date. Revenue from special events is recognized when the event takes place.

Contributions of Goods and Services

Contributions are recognized as support upon the receipt of an unconditional pledge or of cash or other assets. Contributions are considered available for unrestricted use, unless the donor restricts the use thereof.

Donated goods consist of items received by PASE and awarded as prizes during the auctions held in relation to special events. These goods are recognized as both support and expense at their estimated fair values at the date of receipt.

Contributed services are reported as contributions at their fair value if such services create or enhance nonfinancial assets or would have been purchased if not provided by donation, require specialized skills, and are provided by individuals possessing such skills.

Functional Allocation of Expense

The costs of providing PASE's services have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Partnership for After School Education

Notes to Financial Statements
June 30, 2016 and 2015

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

Accounting for Uncertainty in Income Taxes

PASE recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that PASE had no uncertain tax positions that would require financial statement recognition or disclosure. PASE is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to fiscal year 2013.

Subsequent Events Evaluation by Management

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 November 10, 2016.

3. Concentration of Credit Risk

Financial instruments that potentially subject PASE to concentrations of credit risk consist principally of cash and cash equivalents and grants receivable. Management ensures cash balances are not in excess of balances insured by the Federal Deposit Insurance Corporation ("FDIC"). PASE has not experienced any losses in such accounts. As of June 30, 2015, approximately 72% of grants receivable is due from one grantor.

4. Related Party Transactions

For the year ended June 30, 2016 and 2015, approximately 47% and 39% of total contributions were donated by a single board member.

5. Property and Equipment

Property and equipment at June 30 consist of the following:

	2016	2015
Furniture and equipment	\$ 108,106	\$ 108,106
Leased equipment	119,700	119,700
Leasehold improvements	56,005	56,005
Website	30,000	30,000
Computer and software	142,920	142,920
	456,731	456,731
Accumulated amortization of leased equipment	(59,850)	(35,910)
Accumulated depreciation and amortization	(322,554)	(295,812)
	<u>\$ 74,327</u>	<u>\$ 125,009</u>

Partnership for After School Education

Notes to Financial Statements
June 30, 2016 and 2015

6. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30 are available for the following purposes:

	2016	2015
Capacity Building - Global Learning	\$ -	\$ 118,000
Capacity Building - STEM	140,000	85,000
Professional Development	50,000	145,000
Professional Development - College Success	-	30,000
Janet Kelly Lecture Series	31,972	31,959
General Support - Time Restricted	65,000	15,000
	\$ 286,972	\$ 424,959

Amounts released from restrictions during the year ended June 30 were for the following purposes:

	2016	2015
Capacity Building - Global Learning	\$ 118,000	\$ 225,000
Capacity Building - STEM	85,000	140,000
Professional Development	383,000	257,000
Professional Development - College Success	30,000	140,900
Professional Development - College Preparation	50,000	100,000
Janet Kelly Lecture Series	-	2,000
General Support - Time Restricted	175,000	15,000
	\$ 841,000	\$ 879,900

7. Lease Commitments

PASE leases its premises under an operating lease expiring on April 30, 2022. In addition, during 2014 PASE entered into a capital lease agreement for office equipment. The monthly installments on the equipment lease are \$1,995 as of June 30, 2016. The interest rate is 0%. Future principal payments on both leases are as follows:

	Office Space	Equipment
2017	\$ 344,726	\$ 23,940
2018	376,065	23,940
2019	376,065	12,150
2020	376,065	-
2021	376,065	-
Thereafter	313,388	-
	\$ 2,162,374	\$ 60,030

PASE subleases a portion of its office space to two tenants. One sublease is cancelable and expires on July 31, 2018, while the other sublease is month to month.

Partnership for After School Education

Notes to Financial Statements
June 30, 2016 and 2015

9. Contingencies

PASE receives grants from governmental agencies for its programs which are subject to financial and compliance audits by the funding agencies. The audit of these programs, including for the year ended June 30, 2016 and 2015, have not yet been conducted. PASE does not reflect in its financial statements any adjustments for potential disallowances of expenses since management believes that all expenses incurred for such programs are allowable costs.

10. Pension Plan

PASE sponsors a defined contribution pension plan that covers employees who have completed three months of service. PASE has suspended its matching contributions to the plan.

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