AFTER-SCHOOL ALL-STARS

Financial Statements
with
Independent Auditor's Report

For the Year Ended
June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

AFTER-SCHOOL ALL-STARS

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(With Comparative Totals for June 30, 2016)

CliftonLarsonAllen LLP
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
After-School All-Stars
Los Angeles, CA

We have audited the accompanying financial statements of After-School All-Stars (the Organization), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, cash flows and functional expenses 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.

Auditor's 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 of 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.

Board of Directors
After-School All-Stars

Opinion

In our opinion, the financial statements referred to on page one present fairly, in all material respects, the financial position of the Organization as of June 30, 2017, 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.

Report on Summarized Comparative Information

After School All-Stars' June 30, 2016 financial statements were audited by Vicenti, Lloyd, & Stutzman LLP, whose practice became part of CliftonLarsonAllen LLP as of June 1, 2017, and whose report dated February 23, 2017, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Glendora, CA
May 10, 2018

AFTER-SCHOOL ALL-STARS

STATEMENT OF FINANCIAL POSITION
June 30, 2017
(With Comparative Totals for June 30, 2016)

	2017	2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,535,701	$ 3,006,586
Contributions and grants receivable	2,104,943	1,790,345
Due from affiliates	71,901	27,973
Prepaid expenses and other assets	90,252	210,783
Total current assets	5,802,797	5,035,687
LONG-TERM ASSETS:		
Property, plant and equipment, net	37,189	36,647
Total long-term assets	37,189	36,647
Total assets	$ 5,839,986	$ 5,072,334
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 864,517	$ 768,821
Deferred rent liability	21,236	1,016
Total current liabilities	885,753	769,837
LONG-TERM LIABILITIES:		
Deferred rent liability	7,867	14,812
Total long-term liabilities	7,867	14,812
NET ASSETS:		
Unrestricted	3,626,563	2,731,295
Temporarily restricted	1,319,803	1,556,390
Total net assets	4,946,366	4,287,685
Total liabilities and net assets	$ 5,839,986	$ 5,072,334

The accompanying notes are an integral part of these financial statements.

AFTER-SCHOOL ALL-STARS

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	Unrestricted	Temporarily Restricted	2017	2016
REVENUES:				
Contribution and grant revenue	$ 3,039,901	$ 6,442,329	$ 9,482,230	$ 8,367,105
Contract revenue	286,158	-	286,158	109,956
Special event revenue	2,626,275	-	2,626,275	1,451,211
Less costs of direct benefits to donors	(497,509)	-	(497,509)	(262,695)
Net assets released from restrictions	6,678,916	(6,678,916)	-	-
Total revenues	12,133,741	(236,587)	11,897,154	9,665,577
EXPENSES:				
Program services	8,992,310	-	8,992,310	7,195,472
Management and general	1,342,073	-	1,342,073	833,912
Fundraising	904,090	-	904,090	607,467
Total expenses	11,238,473	-	11,238,473	8,636,851
Change in net assets	895,268	(236,587)	658,681	1,028,726
Beginning net assets	2,731,295	1,556,390	4,287,685	3,258,959
Ending net assets	$ 3,626,563	$ 1,319,803	$ 4,946,366	$ 4,287,685

The accompanying notes are an integral part of these financial statements.

AFTER-SCHOOL ALL-STARS

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	2017	2016
CASH FLOWS from OPERATING ACTIVITIES:		
Change in net assets	$ 658,681	$ 1,028,726
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	11,733	8,428
Loss on disposal of assets	-	3,001
(Increase) decrease in operating assets		
Contributions and grants receivable	(314,598)	(1,184,698)
Due from affiliates	(43,928)	(12,104)
Prepaid expenses and other assets	120,531	35,246
Increase (decrease) in operating liabilities		
Accounts payable and accrued liabilities	95,696	438,191
Deferred rent liability	13,275	(1,018)
Net cash flows from operating activities	541,390	315,772
CASH FLOWS from INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(12,275)	(37,680)
Net cash flows from investing activities	(12,275)	(37,680)
Net change in cash and cash equivalents	529,115	278,092
Cash and cash equivalents at the beginning of the year	3,006,586	2,728,494
Cash and cash equivalents at the end of the year	$ 3,535,701	$ 3,006,586

The accompanying notes are an integral part of these financial statements.

AFTER-SCHOOL ALL-STARS

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	Program Services	Management and General	Fundraising	2017	2016
Personnel expenses					
Salaries and wages	5,101,908	$ 613,245	$ 417,297	$ 6,132,450	$ 4,285,902
Employee benefits and payroll taxes	1,048,709	128,402	106,908	1,284,019	773,136
Total personnel expenses	6,150,617	741,647	524,205	7,416,469	5,059,038
Other functional expenses					
Accounting expenses	-	14,177	-	14,177	13,645
Chapter support and training	85,980	-	-	85,980	86,213
Communications	53,960	21,036	16,463	91,459	59,921
Conference and meeting expenses	154,762	-	-	154,762	49,531
Consulting	66,054	90,388	17,382	173,824	138,703
Depreciation expense	-	11,733	-	11,733	8,428
Direct program expenses	618,222	-	-	618,222	801,834
Donated goods and services	10,258	-	540	10,798	6,254
Expensed equipment and repairs	62,171	49,736	12,434	124,341	51,568
Grants to affiliates	681,853	-	-	681,853	1,372,200
Information technology expenses	182,472	79,831	22,809	285,112	88,754
Insurance expense	51,423	12,062	-	63,485	44,993
Legal	282	283	-	565	16,717
Marketing	31,676	63,356	117,956	212,988	140,772
Membership dues	2,800	2,717	2,717	8,234	6,259
Occupancy expenses	208,168	59,479	29,739	297,386	217,165
Professional development	429,336	-	-	429,336	32,590
Recruitment	40,667	30,501	30,501	101,669	84,750
Service and operating	14,588	58,352	24,314	97,254	98,116
Supplies	20,937	12,213	10,468	43,618	34,779
Travel expenses	126,084	94,562	94,562	315,208	224,621
Total other functional expenses	2,841,693	600,426	379,885	3,822,004	3,577,813
Total expenses	$ 8,992,310	$ 1,342,073	$ 904,090	$11,238,473	$ 8,636,851

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – After School All-Stars (the Organization) is a not-for-profit public benefit corporation, which was incorporated under the laws of the state of California in 1992. The Organization's mission is to provide comprehensive after-school programs that keep children safe and help them succeed in school and life.

After School All-Stars is a hybrid model with eighteen city-based, local nonprofit organizations and Chicago Public Schools After School Program licensing the use of the After-School All-Star's name. The local organizations apply for grants and receive financial support for programs for youth. The Organization was established to assist its affiliated chapters with the development, improvement, and implementation of the After-School All-Stars' mission. The Organization grants a portion of the funding it receives to its affiliated chapters to be used for general operations, program quality, professional developments and new curriculums. Part of the activity of the Organization is also to form chapters under the 501(c)(3).

During the year ended June 30, 2017, the Organization operated the national office operated Bay Area, Chicago, Washington DC, Tampa, Puget Sound, Philadelphia, New York, New Jersey, North Texas directly under the 501(c)(3).

Cash and Cash Equivalents – The Organization defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Accounting – The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and other liabilities.

Functional Allocation of Expenses – Costs of providing the Organization's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

Basis of Presentation – The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States as prescribed by the Financial Accounting Standards Board.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Asset Classes – The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Net assets of the Organization are defined as:

- Unrestricted: All resources over which the governing board has discretionary control to use in carrying on the general operations of the Organization.
- Temporarily restricted: Net assets are restricted by donors to be used for specific purposes. The Organization currently has $1,319,803 of temporarily restricted net assets.
- Permanently restricted: Net assets are permanently restricted by donors and cannot be used by the Organization. The Organization does not currently have any permanently restricted net assets.

Grants, Contributions and Pledges Receivable – Grants and contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Conditional grants and contributions are recorded as support in the period the condition is met. Such grants and contributions are require to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the restriction, usually when the funds are spent. Pledges for future grants and contributions are recorded as receivables and reported at their estimated net realizable values. Management anticipates all grants and contributions receivable will be collected within the next year; consequently, no grants and contributions have been discounted. Additionally, management has determined no allowance for potentially uncollectible grants and contributions receivable is necessary.

Contributions and grant receivables for the year ended June 30, 2017 are expected to be fully collected within one year.

Monies received for future events is deferred and recognized on the occurrence of the event.

Property, Plant and Equipment – Property, plant and equipment are stated at cost if purchased or at estimated fair market value if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset

Comparative Totals – 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 a 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 June 30, 2016, from which the summarized information was derived.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Compensated Absences – ASAS provides paid time off (PTO) for employees to use for vacation, personal time, or sick time off (personal illness, medical appointments, or time off to care for dependents in accordance with employees' state or local laws) as a benefit to introductory and regular fulltime employees at rates determined by their length of employment. Accrual caps are also set according to length of employment – once the PTO accrual cap is hit, no further leave is earned until the employee uses PTO leave beneath the cap.

Income Taxes – The Organization is a non-profit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The Organization files informational returns in the U.S. federal jurisdiction, and the state of California. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

Evaluation of Subsequent Events – The Organization has evaluated subsequent events through May 10, 2018, the date these financial statements were available to be issued.

NOTE 2: CONCENTRATION OF CREDIT RISK

The Organization also maintains cash balances held in banks and revolving funds which are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE 3: RELATED PARTY TRANSACTIONS

For the years ended June 30, 2017 and 2016, grants to affiliated chapters totaled $681,853, and $1,372,200, respectively. There were no grant amounts due to affiliated chapters as of June 30, 2017 or 2016.

From time to time and on an as-needed basis, the Organization may provide short-term non-interest bearing loan funding to its affiliated chapters to assist with temporary cash-flow needs. For the years ended June 30, 2017 and 2016 amounts due from affiliated chapters were $71,901 and $27,973, respectively.

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment in the accompanying financial statements is presented net of accumulated depreciation. The Organization capitalizes all expenditures for land, buildings and equipment in excess of $1,000. Depreciation expense was $11,733 and $8,428 for the years ended June 30, 2017 and June 30, 2016, respectively.

The components of property, plant and equipment as of June 30, 2017 are as follows:

Leasehold Improvements	$ 6,532
Equipment	54,687
Property, plant and equipment	61,219
Less accumulated depreciation	(24,030)
Property, plant and equipment, net	$ 37,189

NOTE 5: OPERATING LEASES

The Organization leases office space and equipment under non-cancelable operating lease agreements, which expire at various dates through 2021. Lease expense under these agreements for the years ended June 30, 2017 and 2016 was $297,386 and $297,165, respectively.

Future minimum lease payments for the year ended June 30, 2017 are as follows:

Year Ended June 30,	
2018	$ 281,148
2019	247,415
2020	120,888
2021	72,998
Total	$ 722,449

NOTE 6: RETIREMENT PLAN

The Organization sponsors a defined contribution IRC Section 403(b) retirement plan in which all employees (as defined) are eligible to participate. Employee contributions are fully vested immediately upon contribution to the plan. The assets of the plan are invested at the discretion of the individual employees.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

NOTE 6: RETIREMENT PLAN

The Organization may choose to make a matching contribution and an additional discretionary contribution for each participant. Organization matching contributions and discretionary contributions are fully vested in this plan after three years of service. For the years ended June 30, 2017 and 2016, the Organization made matching contributions of $86,296 and $88,299, respectively.

NOTE 7: TEMPORARILY RESTRICTED NET ASSETS

The Organization experienced the following changes in temporarily restricted net assets for the year ended June 30, 2017:

	June 30, 2016	Additions	Releases	June 30, 2017
School Readiness/We Are Ready Initiative	$ 667,554	$ 5,674,091	$ (5,909,674)	$ 431,971
Grants to affiliated chapters	551,151	550,000	(315,819)	785,332
STEM Programs	138,820	-	(138,820)	-
Grants for Schools	96,365	218,238	(314,603)	-
Time restricted	102,500	-	-	102,500
	$ 1,556,390	$ 6,442,329	$ (6,678,916)	$ 1,319,803