

AFTER-SCHOOL ALL-STARS

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION FOR
THE YEAR ENDED JUNE 30, 2017)**



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**AFTER-SCHOOL ALL-STARS
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2018, 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.

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 on page one present fairly, in all material respects, the financial position of the Organization as of June 30, 2018, 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

We have previously audited the Organization’s June 30, 2017 financial statements and we expressed an unmodified audit opinion on those financial statements in our report dated May 10, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Organization’s financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The accompanying supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 19, 2019, on our consideration of the Organization’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
April 19, 2019

**AFTER-SCHOOL ALL-STARS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018
(With Comparative Totals for June 30, 2017)**

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,759,673	\$ 3,535,701
Accounts Receivable	254,357	-
Contributions and Grants Receivable	2,461,663	2,104,943
Due from Affiliates	41,943	71,901
Prepaid Expenses and Other Assets	135,133	90,252
Total Current Assets	6,652,769	5,802,797
LONG-TERM ASSETS		
Property, Plant, and Equipment, Net	33,360	37,189
Total Long-Term Assets	33,360	37,189
Total Assets	\$ 6,686,129	\$ 5,839,986
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	1,423,602	\$ 864,517
Due to Affiliates	123,419	-
Deferred Revenue	107,514	-
Deferred Rent Liability	14,998	21,236
Total Current Liabilities	1,669,533	885,753
LONG-TERM LIABILITIES		
Deferred Rent Liability	17,743	7,867
Total Long-Term Liabilities	17,743	7,867
NET ASSETS		
Unrestricted	657,960	3,626,563
Temporarily Restricted	4,340,893	1,319,803
Total Net Assets	4,998,853	4,946,366
Total Liabilities and Net Assets	\$ 6,686,129	\$ 5,839,986

See accompanying Notes to Financial Statements.

**AFTER-SCHOOL ALL-STARS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

	Unrestricted	Temporarily Restricted	2018	2017
REVENUES				
Contribution and Grant Revenue	\$ 3,537,686	\$ 9,231,640	\$12,769,326	\$ 9,482,230
Contract Revenue	720,005	-	720,005	286,158
Special Event Revenue	2,572,502	-	2,572,502	2,626,275
Less: Costs of Direct Benefits to Donors	(479,400)	-	(479,400)	(497,509)
Interest and Dividends	19	-	19	-
Other Revenue	9,963	-	9,963	-
Net Assets Released from Restrictions	6,210,550	(6,210,550)	-	-
Total Revenues	<u>12,571,325</u>	<u>3,021,090</u>	<u>15,592,415</u>	<u>11,897,154</u>
EXPENSES				
Program Services	12,450,069	-	12,450,069	8,992,310
Management and General	1,204,357	-	1,204,357	1,342,073
Fundraising	1,885,502	-	1,885,502	904,090
Total Expenses	<u>15,539,928</u>	<u>-</u>	<u>15,539,928</u>	<u>11,238,473</u>
CHANGE IN NET ASSETS	(2,968,603)	3,021,090	52,487	658,681
Net Assets - Beginning of Year	<u>3,626,563</u>	<u>1,319,803</u>	<u>4,946,366</u>	<u>4,287,685</u>
NET ASSETS - END OF YEAR	<u><u>\$ 657,960</u></u>	<u><u>\$ 4,340,893</u></u>	<u><u>\$ 4,998,853</u></u>	<u><u>\$ 4,946,366</u></u>

See accompanying Notes to Financial Statements.

**AFTER-SCHOOL ALL-STARS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 52,487	\$ 658,681
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	12,132	11,733
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(254,357)	
Contributions and Grants Receivable	(356,720)	(314,598)
Due from Affiliates	29,958	(43,928)
Prepared Expenses and Other Assets	(44,881)	120,531
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Liabilities	559,085	95,696
Due to Affiliates	123,419	-
Deferred Revenue	107,514	-
Deferred Rent Liability	3,638	13,275
Net Cash Flows from Operating Activities	232,275	541,390
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property, Plant, and Equipment	(8,303)	(12,275)
Net Cash Flows from Investing Activities	(8,303)	(12,275)
NET CHANGE IN CASH AND CASH EQUIVALENTS	223,972	529,115
Cash and Cash Equivalents - Beginning of Year	3,535,701	3,006,586
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,759,673	\$ 3,535,701

See accompanying Notes to Financial Statements.

**AFTER-SCHOOL ALL-STARS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

	Program Services	Management and General	Fundraising	2018	2017
PERSONNEL EXPENSES					
Salaries and Wages	\$ 7,091,239	\$ 407,829	\$ 1,195,779	\$ 8,694,847	\$ 6,132,450
Employee Benefits and Payroll Taxes	1,337,826	76,941	225,595	1,640,362	1,284,019
Total Personnel Expenses	<u>8,429,065</u>	<u>484,770</u>	<u>1,421,374</u>	<u>10,335,209</u>	<u>7,416,469</u>
OTHER FUNCTIONAL EXPENSES					
Accounting Expenses	-	9,769	-	9,769	14,177
Chapter Support and Training	99,194	-	-	99,194	85,980
Communications	56,408	21,989	17,209	95,606	91,459
Conference and Meeting Expenses	14,929	-	-	14,929	154,762
Consulting	36,012	154,468	233,304	423,784	347,886
Depreciation Expense	-	12,132	-	12,132	11,733
Direct Program Expenses	1,112,007	-	-	1,112,007	618,222
Donated Goods and Services	122,439	-	-	122,439	10,798
Expensed Equipment and Repairs	15,914	12,731	3,183	31,828	124,341
Grants to Affiliates	815,005	-	-	815,005	681,853
Information Technology Expenses	295,734	129,384	36,967	462,085	285,112
Insurance Expense	81,180	19,042	-	100,222	63,485
Legal	685	685	-	1,370	565
Marketing	39,617	79,238	147,525	266,380	212,988
Membership Dues	5,643	5,478	5,478	16,599	8,234
Occupancy Expenses	305,262	87,221	130,124	522,607	387,169
Professional Development	841,379	-	-	841,379	429,336
Recruitment	46,592	34,945	34,945	116,482	101,669
Service and Operating	17,494	69,976	106,491	193,961	177,509
Supplies	24,621	14,362	160,135	199,118	197,027
Travel Expenses	90,889	68,167	68,167	227,223	315,208
Total Other Functional Expenses	<u>4,021,004</u>	<u>719,587</u>	<u>943,528</u>	<u>5,684,119</u>	<u>4,319,513</u>
Less: Costs of Direct Benefits to Donors	-	-	(479,400)	(479,400)	(497,509)
Total Expenses	<u>\$ 12,450,069</u>	<u>\$ 1,204,357</u>	<u>\$ 1,885,502</u>	<u>\$ 15,539,928</u>	<u>\$11,238,473</u>

See accompanying Notes to Financial Statements.

**AFTER-SCHOOL ALL-STARS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(With Comparative Totals for June 30, 2017)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

After-School All-Stars (the Organization) is a nonprofit 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 18 city-based, local nonprofit organizations and Chicago Public Schools After School Program licensing the use of the After-School All-Stars 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, 2018, the Organization operated the national office operated Bay Area, Chicago, Cleveland, 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 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 of America as prescribed by the Financial Accounting Standards Board.

AFTER-SCHOOL ALL-STARS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(With Comparative Totals for June 30, 2017)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$4,340,893 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 Receivables

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 required 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, 2018 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.

**AFTER-SCHOOL ALL-STARS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(With Comparative Totals for June 30, 2017)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comparative Totals

The financial statements include 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, 2017, from which the summarized information was derived.

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 full-time 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 nonprofit 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.

Subsequent Events

The Organization has evaluated subsequent events through April 19, 2019, 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.

**AFTER-SCHOOL ALL-STARS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(With Comparative Totals for June 30, 2017)**

NOTE 3 RELATED PARTY TRANSACTIONS

For the years ended June 30, 2018 and 2017, grants to affiliated chapters totaled \$815,005 and \$681,853, respectively. As of June 30, 2018 and 2017, there were \$123,419 and \$0 grant amounts due to affiliated chapters, respectively.

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, 2018 and 2017, amounts due from affiliated chapters were \$41,943 and \$71,901, respectively.

NOTE 4 PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment in the accompanying financial statements are presented net of accumulated depreciation. The Organization capitalizes all expenditures for land, buildings, and equipment in excess of \$1,000. Depreciation expense was \$12,132 and \$11,733 for the years ended June 30, 2018 and 2017, respectively.

The components of property, plant, and equipment as of June 30, 2018 are as follows:

Leasehold Improvements	\$ 12,286
Equipment	55,489
Total Property, Plant, and Equipment	<u>67,775</u>
Less: Accumulated Depreciation	(34,415)
Property, Plant, and Equipment, Net	<u><u>\$ 33,360</u></u>

NOTE 5 OPERATING LEASES

The Organization leases office space and equipment under noncancelable operating lease agreements, which expire at various dates through 2021. Lease expense under these agreements for the years ended June 30, 2018 and 2017 was \$441,889 and \$297,386, respectively.

Future minimum lease payments for the year ended June 30, 2018 are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2019	\$ 417,869
2020	421,974
2021	435,266
2022	321,387
2023	331,215
Thereafter	-
Total	<u><u>\$ 1,927,711</u></u>

AFTER-SCHOOL ALL-STARS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(With Comparative Totals for June 30, 2017)

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.

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, 2018 and 2017, the Organization made matching contributions of \$209,942 and \$86,296, respectively.

NOTE 7 TEMPORARILY RESTRICTED NET ASSETS

The Organization experienced the following changes in temporarily restricted net assets for the year ended June 30, 2018:

	June 30, 2017	Additions	Releases	June 30, 2018
School Readiness/We Are Ready Initiative	\$ 431,971	\$ 880,000	\$ (483,374)	\$ 828,597
Grants to Affiliated Chapters	785,332	-	(785,332)	-
STEM Programs	-	1,289,150	(606,909)	682,241
Grants for Schools	-	3,999,949	(3,010,137)	989,812
Health and Fitness	-	492,400	(316,291)	176,109
Evaluation	-	267,667	(168,756)	98,911
Capacity Building	-	1,577,000	(737,251)	839,749
Time Restricted	102,500	725,474	(102,500)	725,474
Total	<u>\$ 1,319,803</u>	<u>\$ 9,231,640</u>	<u>\$ (6,210,550)</u>	<u>\$ 4,340,893</u>

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
Total	<u>\$ 1,556,390</u>	<u>\$ 6,442,329</u>	<u>\$ (6,678,916)</u>	<u>\$ 1,319,803</u>

SUPPLEMENTARY INFORMATION

**AFTER-SCHOOL ALL-STARS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>U.S. Department of Education</i>			
Pass Through the District of Columbia Office of the State Superintendent of Education 21st Century Community Learning Centers	84.287	N/A	\$ 358,531
Pass Through the Pennsylvania Department of Education 21st Century Community Learning Centers	84.287	N/A	167,250
Pass Through the New York State Education Department 21st Century Community Learning Centers	84.287	N/A	309,710
Pass Through the Florida Department of Education 21st Century Community Learning Centers	84.287	N/A	364,467
Pass Through the New Jersey Department of Education 21st Century Community Learning Centers	84.287	N/A	410,365
Total 21st Century Community Learning Centers			<u>1,610,323</u>
Pass Through the Government of the District of Columbia Scholarships for Opportunities and Results (SOAR)	84.370	N/A	90,241
DC Office of Latino Affairs	95.602	N/A	19,500
Total Pass Through the Government of the District of Columbia			<u>109,741</u>
<i>Total U.S. Department of Education</i>			<u>1,720,064</u>
<i>U.S. Corporation for National and Community Service</i>			
AmeriCorps	94.006	N/A	63,047
<i>Total U.S. Department of Education</i>			<u>63,047</u>
Total Federal Expenditures			<u>\$ 1,783,111</u>

N/A - Pass-through entity number not readily available or not applicable.

NOTE 1 PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Organization under programs of the federal governmental for the year ended June 30, 2018. The information in this Schedule is presented on the accrual basis of accounting in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Indirect Cost Rate

The Organization has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of After-School All-Stars (the Organization), a nonprofit organization, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, the related notes to the financial statements, and have issued our report thereon dated April 19, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

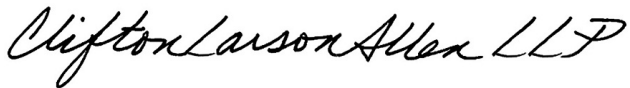
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Glendora, California
April 19, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of After-School All-Stars (the Organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance such that there is a reasonable possibility, that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
April 19, 2019

**AFTER-SCHOOL ALL-STARS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

Section I – Summary of Auditors’ Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal awards:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of Major Federal Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.287	21 ST Century Community Learning Centers

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

**AFTER-SCHOOL ALL-STARS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

