

Ignite Afterschool

St. Paul, Minnesota

Financial Statements
Auditor's Report
For the Year Ended
December 31, 2021



CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ignite AfterSchool
St. Paul, Minnesota

Opinion

We have audited the accompanying financial statements of Ignite AfterSchool (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ignite AfterSchool as of December 31, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ignite AfterSchool and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ignite AfterSchool's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Ignite AfterSchool's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ignite AfterSchool's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Carpenter Ernst and Associates, LTD.
Certified Public Accountants

Minneapolis, Minnesota
May 19, 2022

IGNITE AFTERSCHOOL
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

Current Assets:	
Cash	\$ 197,079
Accounts Receivable	15,392
Grants Receivable	111,488
Prepaid Expenses	1,466
Total Current Assets	<u>325,425</u>
 TOTAL ASSETS	 <u>\$ 325,425</u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts Payable	\$ 13,660
Payroll Related Liabilities	15,235
Total Current Liabilities	<u>28,895</u>
Net Assets:	
Without Donor Restrictions	114,816
With Donor Restrictions	181,714
Total Net Assets	<u>296,530</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 325,425</u>

The accompanying Notes to Financial Statements
are an integral part of this statement.

IGNITE AFTERSCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions	\$ 194,448	\$ 114,000	\$ 308,448
Program Revenue	39,108	-	39,108
Other Revenue	499	-	499
Net Assets Released from Restrictions:			
Satisfaction of Purpose and Time Restrictions	183,834	(183,834)	-
Total Support and Revenue	<u>417,889</u>	<u>(69,834)</u>	<u>348,055</u>
Expense:			
Program Services	413,503	-	413,503
Support Services:			
Management & General	16,409	-	16,409
Fundraising	853	-	853
Total Support Services	<u>17,262</u>	<u>-</u>	<u>17,262</u>
Total Expense	<u>430,765</u>	<u>-</u>	<u>430,765</u>
Change in Net Assets	<u>(12,876)</u>	<u>(69,834)</u>	<u>(82,710)</u>
Net Assets - Beginning of Year	<u>127,692</u>	<u>251,548</u>	<u>379,240</u>
Net Assets - End of Year	<u>\$ 114,816</u>	<u>\$ 181,714</u>	<u>\$ 296,530</u>

The accompanying Notes to Financial Statements
are an integral part of this statement.

IGNITE AFTERSCHOOL
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2021

	Support Services				Total All Services
	Total Program Services	Management & General	Fund- raising	Total Support Services	
Salaries	\$ 206,472	\$ 10,992	\$ 641	\$ 11,633	\$ 218,105
Employee Benefits	27,610	1,470	85	1,555	29,165
Payroll Taxes	14,889	793	46	839	15,728
Total Personnel Costs	<u>248,971</u>	<u>13,255</u>	<u>772</u>	<u>14,027</u>	<u>262,998</u>
Professional Fees and Contract Services	136,928	1,739	-	1,739	138,667
Occupancy	16,924	901	52	953	17,877
Office Expense	4,709	251	14	265	4,974
Insurance	3,217	171	10	181	3,398
Telephone and Internet	1,670	89	5	94	1,764
Food and Supplies	1,029	-	-	-	1,029
Printing, Postage and Shipping	55	3	-	3	58
Total Expense	<u>\$ 413,503</u>	<u>\$ 16,409</u>	<u>\$ 853</u>	<u>\$ 17,262</u>	<u>\$ 430,765</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

IGNITE AFTERSCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

Increase (Decrease) in Cash

Cash Flows from Operating Activities:	
Change in Net Assets	\$ (82,710)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Increases (Decreases) in Current Liabilities:	
Accounts Payable	6,999
Payroll Related Liabilities	(15)
Decreases (Increases) in Current Assets:	
Accounts Receivable	10,536
Grants Receivable	70,119
Prepaid Expenses	176
Net Cash Provided by Operating Activities	<u>5,105</u>
Cash Flows from Investing Activities:	
None	-
Cash Flows from Financing Activities:	
None	<u>-</u>
Net Increase in Cash	5,105
Cash - Beginning of Year	<u>191,974</u>
Cash - End of Year	<u><u>\$ 197,079</u></u>

The accompanying Notes to Financial Statements
are an integral part of this statement.

IGNITE AFTERSCHOOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. Summary of Significant Accounting Policies

Organizational Purpose

Ignite Afterschool (the Organization) is a non-profit organization founded in 2014 with a mission to unite Minnesota's afterschool community and strengthen afterschool programs through partnership, education, and advocacy. The purpose of the Organization is to:

- bring together resources, expertise and best practices in afterschool to improve funding, access and quality of programs across the entire field of afterschool;
- coordinate professional development, resources and trainings across the state to help youth workers and programs be their very best so youth get the most of their afterschool experiences; and
- listen to and bring together the broad field of afterschool to create a shared vision for our most urgent needs which includes setting goals and advocating for solutions that close race, income and geography-based afterschool access and opportunity gaps.

Net Assets

Net Assets, revenues, gains, and losses are classified based on the existence or absence of donor-or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor-or grantor-imposed restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor- or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Accounts Receivable and Doubtful Accounts

Receivables consist of grantor commitments to reimburse the Organization for expenses incurred to advance the Organization's programmatic mission. All reimbursements are subject to the provisions of the respective grantor's grant. An allowance for doubtful accounts is accounted for using the specific identification method. All receivables are considered collectible as of December 31, 2021.

IGNITE AFTERSCHOOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Revenue and Revenue Recognition

The Organization recognizes revenue from services when the performance obligations of providing the services are met. The Organization recognizes grants and contributions when cash, securities or other assets, an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the Organization's revenue is derived from cost-reimbursable state grants, which is conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions.

Program service fees are recognized as revenue when the event occurs and the performance obligations are met.

Promises-To-Give (Grants Receivable)

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

Income Tax

The Organization has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and has adopted Accounting for Uncertainty in Income Taxes, ASC 740-10. The Organization's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. The Organization continues to operate consistent with its original exemption application and each year takes the necessary actions to maintain its exempt status. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible. In compliance with its exempt status, the Organization annually files a Return of Organization Exempt From Income Tax (Form 990).

IGNITE AFTERSCHOOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expense

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Salaries and related expenses are allocated on job descriptions and the best estimates of management. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting service are allocated based on the best estimates of management.

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 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.

Subsequent Events

The Organization has evaluated the effect that subsequent events would have on the financial statements through May 19, 2022, which is the date financial statements were available to be issued.

2. Financial Instruments

Significant Concentrations of Credit Risk

The Organization provides services within the Twin Cities area. The amounts due for services provided are from individuals, or their third-party payors, substantially all of whom are local. In addition, grants and contributions receivable are from local and national institutions.

3. Uncertainties and Contingencies

The COVID-19 outbreak in the United States has caused business disruption through both mandated and voluntary suspension of operations. While many of the closings have re-opened, there are still uncertainties if there will be future disruptions due to additional outbreaks. Therefore, the Organization expects this matter may impact its future operating results, but reasonable estimates cannot be made at this time.

IGNITE AFTERSCHOOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

4. Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of amounts for the following as of December 31, 2021:

Professional Development, Issue Education and Partnership Building	<u>\$ 181,174</u>
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5. Liquidity and Availability

The following represents the Organization's financial assets as of December 31, 2021:

Financial Assets:	
Cash	\$ 197,079
Accounts Receivable	15,392
Grants Receivable	<u>111,488</u>
Total Financial Assets	323,959
Less: Assets not available to be used within one year:	
Net Assets With Donor Restrictions	181,713
Net Assets With Restrictions to be met within a year	<u>(181,713)</u>
Total Assets not available to be used within one year	<u>-</u>
Financial assets available for general expenditures within one year	<u>\$ 323,959</u>

The Organization has certain net assets with donor restrictions limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above for financial assets to meet general expenditures within one year. As part of the Organization's liquidity plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

6. Retirement Plan

The Organization maintains a 403 (b) qualified retirement plan covering all staff that meet eligibility requirements. The plan is funded by employer contributions, employer match of employee contributions, and additional unmatched contributions that employees can elect. The Organization contributed \$8,067 to the plan for the year ending December 31, 2021.

IGNITE AFTERSCHOOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

7. Leased Facilities

Rental commitments under noncancelable leases for office space in effect at December 31, 2021, totaled \$13,941. The future annual rental commitments are as follows:

<u>Due in the Year Ending December 31,</u>	
2022	<u>\$ 13,941</u>

Rental expense for office space was \$17,877 for the year ending December 31, 2021.