

**BOSTON PARTNERS IN EDUCATION, INC.**  
Financial Statements  
and  
Independent Auditors' Report  
August 31, 2017



## *Independent Auditors' Report*

To the Board of Directors of  
**Boston Partners in Education, Inc.**

We have audited the accompanying financial statements of Boston Partners in Education, Inc. (a Massachusetts nonprofit organization), which comprise the statement of financial position as of August 31, 2017, and the related statements of activities, functional expenses, and cash flows 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.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boston Partners in Education, Inc. as of August 31, 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.

A handwritten signature in black ink, appearing to read "Jarvis Kelly" with a stylized flourish at the end.

*October 30, 2017*

**BOSTON PARTNERS IN EDUCATION, INC.**  
Statement of Financial Position  
August 31, 2017

**ASSETS**

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CURRENT ASSETS

Cash and cash equivalents	\$ 542,161
Promises to give	660
Fundraising inventory	<u>162,500</u>

Total Current Assets 705,321

FIXED ASSETS

Equipment	30,488
Less: accumulated depreciation	<u>(17,214)</u>

Net Fixed Assets 13,274

INTANGIBLE ASSETS

Web site	88,330
Less: accumulated amortization	<u>(35,332)</u>

Net Intangible Assets 52,998

Total Assets \$ 771,593

**LIABILITIES AND NET ASSETS**

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CURRENT LIABILITIES AND TOTAL LIABILITIES

Payroll withholdings	<u>\$ 1,342</u>
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Total Current Liabilities and Total Liabilities 1,342

NET ASSETS

Unrestricted	<u>770,251</u>
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Total Liabilities and Net Assets \$ 771,593

*See accompanying notes to financial statements.*

**BOSTON PARTNERS IN EDUCATION, INC.**

Statement of Activities

For the Year Ended August 31, 2017

**CHANGE IN UNRESTRICTED NET ASSETS**

SUPPORT AND REVENUE

Grants and contributions	\$ 327,426
In-kind operating support	74,983
Program fees	70,400
Special events	854,287
Less: direct costs	<u>(301,265)</u>
Net revenue from special events	<u>553,022</u>
Other income	1,491
Interest	<u>507</u>
Total Support and Revenue	<u>1,027,829</u>

EXPENSES

Program services:

Accelerate	281,269
Aim High	248,872
The Big Cheese Reads	96,875
Motivate	84,567
Power Lunch	<u>124,660</u>
Total Program Services	<u>836,243</u>

Supporting services:

Management and general	101,320
Fundraising	<u>241,937</u>
Total Supporting Services	<u>343,257</u>

Total Expenses 1,179,500

Change in Net Assets (151,671)

Net Assets, Beginning of Year, previously stated 759,422

Prior Period Adjustment 162,500

Net Assets, Beginning of Year, restated 921,922

**Net Assets End of Year** \$ 770,251

*See accompanying notes to financial statements.*

**BOSTON PARTNERS IN EDUCATION, INC.**

Statement of Functional Expenses

For the Year Ended August 31, 2017

DESCRIPTION	PROGRAMS					SUPPORT SERVICES		TOTAL
	ACCELRATE	AIM HIGH	THE BIG CHEESE READS	MOTIVATE	POWER LUNCH	MANAGEMENT AND GENERAL	FUND- RAISING	
Personnel	\$ 185,207	\$ 160,076	\$ 64,946	\$ 53,462	\$ 79,238	\$ 45,348	\$ 130,301	\$ 718,578
Payroll taxes	15,346	13,138	5,273	4,368	6,586	3,669	13,243	61,623
Insurance	21,284	18,171	7,325	6,013	8,473	5,675	17,243	84,184
Advertising and promotion	385	385	81	141	167	80	184	1,423
Office expense	749	628	851	300	381	1,528	1,513	5,950
Information technology	1,414	1,354	402	642	415	193	1,445	5,865
Occupancy	21,763	18,882	8,064	6,227	8,988	23,632	16,445	104,001
Travel	3,522	2,989	1,214	1,022	1,743	1,453	4,658	16,601
Meetings and conferences	652	881	298	274	256	1,548	294	4,203
Professional fees	3,112	6,877	1,287	1,184	1,435	14,658	2,148	30,701
Inkind expenses	9,429	8,441	2,699	3,180	7,464	1,731	42,041	74,985
Volunteer expenses	9,282	9,282	1,798	4,641	4,138	501	2,045	31,687
Professional development	2,709	2,622	58	1,263	1,107	268	1,928	9,955
Dues and subscriptions	198	198	83	99	99	20	843	1,540
Bad debt	-	-	-	-	-	-	1,887	1,887
Depreciation and amortization	6,217	4,948	2,496	1,751	4,170	505	3,328	23,415
Miscellaneous expense	-	-	-	-	-	511	2,391	2,902
<b>Total</b>	<b>\$ 281,269</b>	<b>\$ 248,872</b>	<b>\$ 96,875</b>	<b>\$ 84,567</b>	<b>\$ 124,660</b>	<b>\$ 101,320</b>	<b>\$ 241,937</b>	<b>1,179,500</b>

*See accompanying notes to financial statements.*

**BOSTON PARTNERS IN EDUCATION, INC.**  
Statement of Cash Flows  
For the Year Ended August 31, 2017

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ (151,671)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	23,415
(Increase) decrease in operating assets:	
Promises to give	4,364
Increase (decrease) in operating liabilities:	
Payroll withholdings	<u>(461)</u>
Net Decrease in Cash and Cash Equivalents	(124,353)
<b>CASH and CASH EQUIVALENTS, beginning of year</b>	<u>666,514</u>
<b>CASH and CASH EQUIVALENTS, end of year</b>	<u>\$ 542,161</u>

*See accompanying notes to financial statements.*

## BOSTON PARTNERS IN EDUCATION, INC.

Notes to Financial Statements

August 31, 2017

### 1. ORGANIZATION AND PROGRAMS

#### ORGANIZATION

Boston Partners in Education, Inc., founded in 1966, is a Massachusetts not-for-profit corporation, whose mission is to enhance the academic achievement and nurture the personal growth of Boston's public school students by providing them with focused, individualized in-school volunteer support.

#### PROGRAMS

To achieve its mission Boston Partners offers the following major programs:

**Accelerate** - Accelerate can assist any student in grades K-8 identified by their teacher as needing extra academic or socio-emotional support. Accelerate mentors work 1-on-1 with a student, or in small groups, during regular classroom instruction time. Accelerate is designed to help students who lack the skills, motivation or interest in ELA or math.

**Aim High** - Aim High supports students in grades 9-12 who have small gaps in skills and knowledge, and just need that extra push to find success. Aim High mentors work 1-on-1 or with a small group of students in humanities or STEM subjects. Aim High helps students build confidence and resilience and prepare for their future aspirations.

**The Big Cheese Reads** -The Big Cheese Reads connects business and community leaders with middle school students in order to emphasize the important link between literacy and career success. Since its inception, more than 250 corporate and community leaders have gone into the classroom to support the initiative.

**Motivate** - Motivate is tailored for our tiniest learners in grades pre K-2 and designed for early childhood development needs. Motivate mentors work with the whole class of students, helping to run academic activities and smooth transition time. Volunteers get hands-on classroom experience, while setting positive examples for good behavior.

**Power Lunch** - Power Lunch sparks enthusiasm for reading in kindergarten through third graders by matching students with volunteer reading mentors from participating corporations in the Boston area. Each reading mentor serves as a role model and friend, providing guidance in school and career choices while encouraging an enthusiasm for books and reading.

Boston Partners in Education's operations are primarily funded by foundation and corporate grants, and contributions from the general public.



## BOSTON PARTNERS IN EDUCATION, INC.

Notes to Financial Statements (Continued)

August 31, 2017

### 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

Boston Partners in Education prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### NET ASSETS CLASSIFICATION

Net assets of Boston Partners in Education are classified into three categories. The classifications are related to the existence or absence of donor-imposed restrictions as follows:

- *Unrestricted Net Assets* - net assets that are available for support of operations and not subject to donor-imposed stipulations.
- *Temporarily Restricted Net Assets* - assets whose use is limited by either donor-imposed time restrictions or purpose restrictions. At August 31, 2017 Boston Partners in Education had no temporarily restricted net assets.
- *Permanently Restricted Net Assets* – assets that must be maintained in perpetuity. At August 31, 2017 Boston Partners in Education had no permanently restricted net assets.

#### GRANTS AND CONTRIBUTIONS

Grants and contributions are recognized when a donor makes a promise to give to Boston Partners in Education that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Grants and contributions received in connection with a conditional promise to give are recorded as a refundable advance (a liability) until the donor conditions have been met or explicitly waived. Grants and contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the grants and contributions are recognized. All other donor-restricted grants and contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

#### CASH EQUIVALENTS

Boston Partners in Education considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

**BOSTON PARTNERS IN EDUCATION, INC.**

Notes to Financial Statements (Continued)

August 31, 2017

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

REVENUE RECOGNITION

Program fees are recognized as revenue when earned. Advance payments of program fees are recorded as deferred revenue until earned.

ACCOUNTS RECEIVABLE

Accounts receivable are presented net of the allowance for doubtful accounts. Boston Partners in Education's periodic evaluation of the adequacy of the allowance is based on its past loss experience. There were no outstanding accounts at August 31, 2017.

FUNDRAISING INVENTORY

Fundraising inventory, which consist primarily of donated artwork, was recorded at estimated fair value at the date of donation.

FIXED ASSETS

Donations of fixed assets are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire fixed assets are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Boston Partners in Education reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Boston Partners in Education reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Purchased fixed assets are carried at cost. Fixed assets are depreciated using the straight-line method over their estimated useful lives. Repairs and maintenance are charged to operations. Betterments, renewals, and purchases of more than \$1,000 are capitalized.

Depreciation expense for the year ended August 31, 2017 was \$5,749.

WEBSITE COSTS

Website costs are being amortized over five years on a straight-line basis. Amortization expense was \$17,666 for the year ended August 31, 2017. Estimated amortization expense for the next three years is \$17,666 per year.

**BOSTON PARTNERS IN EDUCATION, INC.**

Notes to Financial Statements (Continued)

August 31, 2017

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

IN-KIND DONATIONS

Boston Partners in Education receives in-kind donations in support of its operations. Donated materials and services are recorded at fair value. Donated services that (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated are recorded as contributions in the financial statements. Donated services such as fundraising, clerical assistance or other volunteer efforts not requiring specialized skills are not recorded in the financial statements.

INCOME TAXES

Boston Partners in Education is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from state income taxes under Chapter 180 of the Massachusetts General Laws. Unrelated business income, of which there was none for the year ended August 31, 2017 would be subject to Federal and state income taxes.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and reported in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

ESTIMATES

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**3. PROMISES TO GIVE**

All unconditional promises to give at August 31, 2017 were deemed fully collectible and were due within one year.

**BOSTON PARTNERS IN EDUCATION, INC.**

Notes to Financial Statements (Continued)

August 31, 2017

**4. IN-KIND DONATIONS**

Boston Partners in Education receives donated materials and services in support of its programmatic and administrative functions. In-kind donations reported in the financial statements for the year ended August 31, 2017, were as follows:

<i>In-kind Donations</i>	
Software licenses	\$ 28,200
Consulting services	1,600
Airfare	343
Printing	699
Event support	<u>44,141</u>
Total	<u>\$ 74,983</u>

Boston Partners in Education receives donated IT services from a company that is affiliated with a board member. The value of the IT services could not be determined and, accordingly, is not recorded in the financial statements. In addition, donated services such as Big Cheese Readers and other volunteer efforts not requiring specialized skills are not recorded in the financial statements.

**5. RELATED PARTY TRANSACTIONS**

IT SERVICES

Boston Partners in Education receives donated IT services from a company affiliated with a board member. The value of the IT services could not be determined.

OFFICE LEASE

Boston Partners in Education leases its office space under an annually renewable non-cancelable operating sublease from World Education, Inc., an organization affiliated with a board member. Rent expense for the year ended August 31, 2017 was \$104,000.

A new sublease agreement was being negotiated as of the date of the financial statements.

CONTRIBUTIONS

Board members donated \$110,393 to Boston Partners in Education for the year ended August 31, 2017.

**BOSTON PARTNERS IN EDUCATION, INC.**

Notes to Financial Statements (Continued)

August 31, 2017

**6. LINE OF CREDIT**

At August 31, 2017, Boston Partners in Education had an unused \$50,000 revolving line-of-credit agreement with TD Bank that expires on February 20, 2018. Any outstanding balance on the line will incur interest at the bank's prime rate plus .50%.

**7. COMPENSATED ABSCENCES**

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. Boston Partners in Education's policy is to recognize these costs when actually paid.

**8. RETIREMENT PLAN**

Boston Partners in Education has a 401(k) Simple Retirement Plan for its employees. All employees with six months of service are eligible to participate in the plan. Boston Partners in Education does not contribute to the plan.

**9. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

CREDIT RISK

Boston Partners in Education maintains cash balances at one financial institution. Accounts at this institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At August 31, 2017, the uninsured balance was \$287,329. Boston Partners in Education has not experienced any loss in accounts and believes it is not exposed to any significant credit risk on its cash balances.

SUPPORT AND REVENUE

Grants, contributions, and fees from three sources represented 23% of Boston Partners in Education's total support and revenue for the year ended August 31, 2017.

**10. PRIOR PERIOD ADJUSTMENT**

Unrestricted net assets at the beginning of August 31, 2016 has been adjusted for the fair value of donated artwork that was not recorded in the year it was received. The effect of the correction had no effect on change in net assets for the years ended August 31, 2017 or August 31, 2016.

**11. SUBSEQUENT EVENTS**

Boston Partners has evaluated subsequent events through October 30, 2017, which is the date the financial statements were available to be issued.