Connecticut Network for Children and Youth, Inc.

Financial Statements

June 30, 2026 and 2025

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Directors
Connecticut Network for Children and Youth, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Connecticut Network for Children and Youth, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2026, and the related statements 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 present fairly, in all material respects, the financial position of the Organization, as of June 30, 2026, 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Connecticut Network for Children and Youth, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' 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 auditors' 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 GAAS 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 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 the Organization'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 the Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2025 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 10, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

September 24, 2026

Connecticut Network for Children and Youth, Inc.

Statement of Financial Position
June 30, 2026
(with comparative amounts at June 30, 2025)

	2026	2025
ASSETS		
Cash	$ 1,285,163	$ 1,473,082
Grants receivable	453,344	240,733
Prepaid expenses	18,064	7,653
Security deposit	4,019	4,019
Operating lease right of use asset, net	215,733	255,625
Furniture and equipment, net	392	1,330
	$ 1,976,715	$ 1,982,442
LIABILITIES AND NET ASSETS		
Accounts payable	$ 10,417	$ 32,950
Accrued expenses	44,505	45,422
Refundable advances	409,411	324,797
Operating lease liability	223,867	261,167
Total Liabilities	688,200	664,336
Net Assets Without Donor Restrictions	1,288,515	1,318,106
	$ 1,976,715	$ 1,982,442

See Notes to Financial Statements

Connecticut Network for Children and Youth, Inc.

Statement of Activities
Year Ended June 30, 2026
(with comparative totals for the year ended June 30, 2025)

	2026	2025
REVENUE AND SUPPORT		
Grants and support fees	$ 1,671,163	$ 5,571,089
Conference and workshop fees	136,620	143,750
Other income	72	41
Consulting	32,510	3,800
Contributions	129,983	105,308
Total Revenue and Support	1,970,348	5,823,988
EXPENSES		
Program services	1,737,432	4,979,290
Management and general	237,825	189,665
Fundraising	24,682	13,271
Total Expenses	1,999,939	5,182,226
Change in Net Assets	(29,591)	641,762
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	1,318,106	676,344
End of year	$ 1,288,515	$ 1,318,106

See Notes to Financial Statements

Connecticut Network for Children and Youth, Inc.

Statement of Functional Expenses
Year Ended June 30, 2026
(with summarized totals for the year ended June 30, 2025)

	Program Services	Management and General	Fundraising	Total Expenses 2026	Total Expenses 2025
Salaries and wages	$ 949,901	$ 94,990	$ 10,554	$ 1,055,445	$ 1,117,350
Grants to other organizations	8,000	-	-	8,000	2,859,716
Payroll taxes and benefits	164,515	18,359	1,828	184,702	209,752
Training and conferences	83,210	-	-	83,210	91,634
Communications	178,760	2,625	12,300	193,685	247,099
Program contracts	246,462	-	-	246,462	357,423
Travel	32,757	1,538	-	34,295	40,966
Telecommunications and website	10,807	17,632	-	28,439	22,741
Occupancy	21,217	34,616	-	55,833	55,708
Miscellaneous	24,779	24,780	-	49,559	51,565
Depreciation	-	938	-	938	938
Supplies and office expenses	9,486	15,477	-	24,963	59,424
Printing	2,769	4,519	-	7,288	35,382
Professional fees	-	17,491	-	17,491	22,237
Insurance	2,367	2,367	-	4,734	6,444
Postage	143	234	-	377	465
Dues and subscriptions	2,259	2,259	-	4,518	3,382
Total Expenses	$ 1,737,432	$ 237,825	$ 24,682	$ 1,999,939	$ 5,182,226

See Notes to Financial Statements

Connecticut Network for Children and Youth, Inc.

Statement of Cash Flows
Year Ended June 30, 2026
(with comparative totals for the year ended June 30, 2025)

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (29,591)	$ 641,762
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	938	938
Amortization of operating lease right of use assets	39,892	38,064
Changes in operating assets and liabilities		
Grants receivable	(212,611)	334,514
Prepaid expenses	(10,411)	5,069
Accounts payable	(22,533)	(117,856)
Accrued expenses	(917)	6,682
Operating lease liability	(37,300)	(34,027)
Refundable advance	84,614	123,574
Net Cash from Operating Activities and Net Change in Cash	(187,919)	998,720
CASH		
Beginning of year	1,473,082	474,362
End of year	$ 1,285,163	$ 1,473,082

See Notes to Financial Statements

1. Organization

Connecticut Network for Children and Youth, Inc., (the "Organization"), is a charitable nonprofit corporation incorporated in 1990. The Organization was formed to provide Connecticut children with the opportunity to participate in high-quality, affordable, out of school time. The Organization provides leadership, education and advocacy for excellence in the after-school field by building professionalism, strengthening program quality, and increasing availability and affordability. The Organization conducts workshops and provides resources for professionals and advocates in Connecticut to increase funding to out of school time programs.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Net Asset Presentation

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Brief definitions of the two net asset classes are presented below:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Organization. Net assets without donor restrictions consist of all resources of the Organization which are expendable for daily operations.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature or satisfied by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be held in perpetuity. The Organization does not have any net assets with donor restrictions.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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

Furniture and Equipment

Furniture and equipment with a cost of $1,500 or more are capitalized at cost. Donated assets are capitalized at the approximate fair value at the date of donation. Depreciation is computed based on the estimated useful life of the asset using the straight-line method. As of June 30, 2026 and 2025, furniture and equipment had a cost of $17,017 and accumulated depreciation of $16,625 and $15,687.

Grants and Support Fees

A portion of the Organization's revenue is derived from grants, which are 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 or performed services in compliance with the specific contract or grant provisions.

Refundable Advances

The Organization records certain grant revenue as refundable advances until related services are performed, at which time they are recognized as revenue.

Contributions

Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. If no donor restrictions exist or if the donor restrictions expire during the reporting period in which the support is recognized, the donation is recorded as an increase in net assets without donor restrictions. All other donor-restricted support is reported as net assets with donor restrictions. When a restriction expires, the amounts are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

Revenue Recognition

The Organization recognizes revenue from conferences and workshops and other services at the point in time the related event or workshop is held, when its performance obligation to provide the service is satisfied. No contract assets or contract liabilities were recorded at June 30, 2026.

Donated Assets and Services

The Organization recognizes donated assets and services if they receive or enhance nonfinancial assets or require specialized skills and would typically be purchased if not provided by donation. There were no donated assets or services for the years ended June 30, 2026 and 2025.

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

Leases

The Organization leases property under a non-cancelable operating lease and determines if an arrangement is a lease at inception. The lease is presented as an operating lease right of use ("ROU") asset and operating lease liability on the Organization's statement of financial position. The operating lease ROU assets represent the Organization's right to control the use of an underlying asset for the lease term and the lease liability represents the Organization's obligation to make lease payments arising from the lease. The operating lease ROU asset and liability are recognized at the lease commencement date based on the present value of future lease payments. If available, the Organization uses the rate implicit in the lease to discount lease payments to present value; however, the Organization's current lease does not provide a readily determinable implicit rate. Therefore, the Organization has elected to discount lease payments based on an estimate of its incremental borrowing rate. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Functional Expenses

The Organization allocates its expenses on a functional basis between its programs and support services as follows:

- Direct costs are costs that can be specifically identified with a program or activity. These are charged to the respective program or activity.

- Costs that can be specifically identified with more than one program or activity are allocated between the benefiting programs or activities based on time incurred.

- Administrative and general costs that cannot be specifically identified with a program, are allocated based on estimates made by management. Salaries and wages, payroll tax and benefits and insurance costs are allocated based on time spent by employees on program and management activities.

Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes has been made in the financial statements. The Organization has not been designated as a private foundation by the Internal Revenue Service.

The Organization recognizes the effect of income tax positions only if these positions are more likely than not to be sustained. Management believes that the Organization has no tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examination by the applicable tax jurisdictions for periods prior to June 30, 2023.

Reclassification

Certain prior-year amounts have been reclassified to conform to the current-year presentation. These reclassifications had no effect on previously reported total net assets, changes in net assets, or cash flows.

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

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit and market risk consist principally of cash on deposit with financial institutions and receivables. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to $250,000. At times cash balances may exceed the FDIC limit. As of June 30, 2026 and 2025, the Organization's uninsured cash on deposit totaled approximately $778,000 and $966,000.

One grant accounted for 44% and 73% of grant revenue for the year ended June 30, 2026 and 2025. Grants may be subject to reduction or termination in future years. Any significant reduction could have a negative impact on the Organization's program services.

One grant accounted for 96% of grants receivable at June 30, 2026. Three grants accounted for 100% of grants receivable at June 30, 2025.

Prior Year Summarized Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by natural expense for each functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements as of and for the year ended June 30, 2025, from which the summarized information was derived.

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 24, 2026.

3. Retirement Plan

The Organization provides retirement benefits to its eligible employees through a defined contribution plan covering all employees. Contributions are discretionary. The Organization contributed $26,371 and $27,456 during the years ended June 30, 2026 and 2025.

4. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, are as follows:

	2026	2025
Cash	$ 1,285,163	$ 1,473,082
Grants receivable	453,344	240,733
	$ 1,738,507	$ 1,713,815

The Organization monitors its budget and cash flows and structures its financial assets to be available as its general expenditures and other liabilities come due. The Organization has continued reliance on grants to fund operations.

5. Leases

The Organization entered into a seven-year operating lease for office space which began in April 2024. Other information related to the Organization's operating lease for the years ended June 30, is as follows:

	2026	2025
Lease expense	$ 52,217	$ 52,217
Cash paid for amounts included in the measurement of operating lease liabilities	49,625	48,180
Weighted-average remaining lease term in years for operating leases	4.67	5.67
Weighted-average discount rate for operating leases	5.13%	5.13%

Future minimum lease payments due under the non-cancellable agreement as of June 30, 2026 are as follows:

2027	$ 51,114
2028	52,647
2029	54,227
2030	55,853
2031	37,972
Total future minimum lease payments	251,813
Less: present value discount	(27,946)
Total lease liability	$ 223,867

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