

ASPEN Network, Inc.

Independent Auditor's Report

December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
ASPEN Network, Inc.

Opinion

We have audited the accompanying financial statements of ASPEN Network, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—modified accrual basis as of December 31, 2023, and the related statement of activities, functional expenses, and cash flows —modified accrual basis for the six-month period 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 assets, liabilities, and net assets of ASPEN Network, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the six-month period then ended in accordance with the modified accrual basis of accounting as described in Note 1.

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 ASPEN Network, 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified accrual basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified accrual basis of accounting described in Note 1, and for determining that the modified accrual basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 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 ASPEN Network, Inc.'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 ASPEN Network, Inc.'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.

Maloney, Wright & Robbins

Farmington, MO
April 29, 2024



**INDEPENDENT AUDITOR'S 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**

To the Board of Directors of
ASPEN Network, Inc.

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 ASPEN Network, Inc. (a nonprofit organization), which comprise the statement of financial position - modified accrual basis, as of December 31, 2023, and the related statements of activities and cash flows - modified accrual basis, for the six-month period then ended, and the related notes to the financial statements, and have issued our report thereon dated April 29, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered ASPEN Network, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 ASPEN Network, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of ASPEN Network, Inc.'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 entity's 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether ASPEN Network, Inc.'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 financial statements. 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maloney, Wright & Robbins

Farmington, MO
April 29, 2024

ASPEN Network, Inc.
Statement of Financial Position - Modified Accrual Basis

December 31, 2023

ASSETS

Current Assets

Cash and Cash Equivalents:	
Checking Account	\$ 19,064

TOTAL ASSETS	19,064
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LIABILITIES AND NET ASSETS

Current Liabilities

Credit Card Liabilities	\$ 41
Accrued Payroll Taxes	4,407
Total Current Liabilities	4,448

Net Assets

Net Assets Without Donor Restrictions	14,616
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<u>Total Net Assets</u>	14,616
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TOTAL LIABILITIES AND NET ASSETS	\$ 19,064
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The accompanying notes are an integral part of these financial statements.

ASPEN Network, Inc.
Statement of Activities - Modified Accrual Basis
For the Six Months Ended December 31, 2023

Revenues

Grant Income	\$ 131,961
Total Revenue	131,961

Expenses

Accounting Fees	3,807
Legal Fees	966
Contract Services	56,321
Furniture	-
Rent & Utilities	-
Subscriptions	937
Postage	13
Printing	1,427
Office Supplies	4,801
Program Supplies	159
Telephone, Telecommunications	1,238
Marketing & Advertising	10,411
Miscellaneous	347
Payroll Expense	32,432
Payroll Tax Expense	2,624
Travel	1,837
Meals	25
Total Expenses	117,345
Change in Net Assets Without Donor Restrictions	14,616
Net Assets, Beginning	-
Total Net Assets - Ending	\$ 14,616

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

ASPEN Network, Inc.
STATEMENT OF FUNCTIONAL EXPENSES

For the Six Months Ended December 31, 2023

	Program Services	Management and General	Fund Raising	Total
Accounting Fees	3,046	761	-	3,807
Legal Fees	773	193	-	966
Contract Services	45,057	11,264	-	56,321
Furniture	-	-	-	-
Rent & Utilities	-	-	-	-
Subscriptions	750	187	-	937
Postage	10	3	-	13
Printing	1,142	285	-	1,427
Office Supplies	3,841	960	-	4,801
Program Supplies	127	32	-	159
Telephone, Telecommunications	990	248	-	1,238
Marketing & Advertising	8,329	2,082	-	10,411
Miscellaneous	278	69	-	347
Payroll Expense	25,946	6,486	-	32,432
Payroll Tax Expense	2,099	525	-	2,624
Travel	1,470	367	-	1,837
Meals	20	5	-	25
Total Expenses	<u>\$ 93,876</u>	<u>\$ 23,469</u>	<u>\$ -</u>	<u>\$ 117,345</u>

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

ASPEN Network, Inc.
Statement of Cash Flows - Modified Accrual Basis

For the Six Months Ended December 31, 2023

Cash Flows From Operating Activities

Net Change in Net Assets	\$ 14,616
Adjustments to Reconcile Increase in Net Assets to Net	
Cash Provided by Operating Activities:	
Increase (Decrease) in Operating Liabilities:	
Credit Card Liability	41
Payroll Liabilities Payable	4,407
Net Cash Provided by Operating Activities	19,064

Cash Flows From Investing Activities

Investment in CD	-
Investment in Money Market	-
Net Cash Used in Investing Activities	-

Cash Flows From Financing Activities

Proceeds from Long-Term Debt	-
Net Cash Provided by Financing Activities	-

Net Increase (Decrease) in Cash	19,064
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Cash, Beginning of Year	-
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Cash, End of Year	\$ 19,064
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Supplemental Disclosures of Cash Flows Information:

Cash Paid During the Year for Interest	\$ -
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ASPEN Network, Inc.
Notes to the Financial Statements

For the Six Months Ended December 31, 2023

Note 1 **Summary of Significant Accounting Policies**

This summary of significant accounting policies of ASPEN Network, Inc. (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies conform to the modified accrual basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

A. Organization and Nature of Activities

ASPEN Network, Inc. (Access to Services Providing Essential Needs) is a non-profit corporation that provides a comprehensive virtual tool designed to enhance access to community mental health resources in Missouri. The Organization's virtual tool includes a resource directory for multiple community resources, unique behavioral health tools, and virtual resources, which were developed to provide improved awareness of resources and information to the school districts and general public. The services are funded through public and private grants.

B. Basis of Accounting

The accompanying financial statements have been prepared on the modified accrual basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

C. Cash and Cash Equivalents

The Organization considers all highly liquid investments which have an original maturity of three months or less to be cash equivalents. The Organization's deposits are insured by \$250,000 of FDIC coverage.

D. Inventory

Due to the organization's activities, there is no inventory.

E. Statement of Functional Expenses

The costs of providing and supporting the Organization's activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefitted. The Organization has one primary program that consisted of \$117,345 in operating expenses to aid them in their mission.

F. Property and Equipment

Property and equipment are carried at cost if purchased and fair value if contributed. Depreciation is provided using the straight-line method over the estimated useful lives of the net assets. The Organization does not have a capitalization policy.

ASPEN Network, Inc.
Notes to the Financial Statements

For the Six Months Ended December 31, 2023

Note 1 **Summary of Significant Accounting Policies (Continued)**

G. 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 certain grantor) restrictions. Currently, all net assets are without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain 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.

Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There are currently no net assets with donor restrictions.

H. Income Taxes

The Organization constitutes a qualified not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code, and is, therefore, exempt from federal income taxes. The open tax year that remains subject to examination by major tax jurisdictions is December 31, 2023.

I. Advertising Costs

The Organization's policy is to expense advertising costs as incurred, which was \$511 for the six-months ended December 31, 2023.

J. Compensated Absences

The Organization does not have a formal policy that specifically addresses liability for compensated absences.

K. Estimates

The preparation of financial statements in conformity with the modified accrual basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ASPEN Network, Inc.
Notes to the Financial Statements

For the Six Months Ended December 31, 2023

Note 1 **Summary of Significant Accounting Policies (Continued)**

L. Donated Services and In-Kind Contributions

Donated services and materials are recorded at fair market value at the date of donation. Other donated services consist of donations from private donors for expenses such as utilities and rent. These donated services (In-Kind donations) are reported as revenue. During the current fiscal year, the Organization did receive an in-kind donation that resulted from the use of donated office space and utilities. However, these donated services were determined to be immaterial to the financial statements.

Note 2 **Cash**

The Organization had book deposits at December 31, 2023 of \$19,064 and bank deposits of \$30,767. The Organization's deposits were fully insured by FDIC coverage for the year ended December 31, 2023.

Concentrations of Credit Risk - ASPEN Network, Inc. did not have a deposit or investment policy to address custodial credit risk, and did not have a policy of requiring collateral or other security to support financial instruments subject to credit risk at December 31, 2023.

Note 3 **Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

Cash and cash equivalents	\$	19,064
Investments		-0-
	\$	19,064

Note 4 **Concentrations**

The Organization's program depends solely on grant income for operating costs. For the year ended December 31, 2023, revenue consists of 100% grant income from public and private grantors.

Note 5 **Subsequent Events**

Activities subsequent to the Organization's fiscal year end were reviewed through April 29, 2024, at which time the financial statements were available for issuance.