

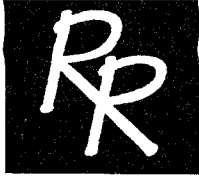
SCIENCE FROM SCIENTISTS, INC.

FINANCIAL STATEMENTS

AUGUST 31, 2012

TABLE OF CONTENTS

	<u>PAGE NO.</u>
INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statement of Assets Liabilities and Net Assets – Cash Basis	2
Statements of Revenues and Expenses and Changes in Net Assets – Cash Basis	3
Statement of Functional Expenses – Cash Basis	4
Statement of Cash Flows –Cash Basis	5
Notes to Financial Statements	6–8



RIZZO & RESTUCCIA, P.C.
Certified Public Accountants

100 Corporate Place • Suite 500
Peabody, MA 01960
(978) 535-7400 • Fax (978) 535-8900

INDEPENDENT AUDITORS' REPORT

To: The Board of Directors
Science From Scientists, Inc.
515 Beacon Street
Boston, MA 02215

We have audited the accompanying statement of Assets, Liabilities and Net Assets – Cash of Science From Scientists, Inc. as of August 31, 2012, and the related statement of revenues, expenses and changes in net assets, functional expenses and cash flows-Cash Basis for the year then ended. These financial statements are the responsibility of Science From Scientists, Inc.'s management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Science From Scientists, Inc. as of August 31, 2012, and its revenue and expenses and changes in net assets for the year then ended, in conformity with the cash basis of accounting as described in Note 1.

A handwritten signature in cursive script that reads "Rizzo & Restuccia, P.C." in dark ink.

Rizzo & Restuccia, P.C.

January 23, 2013

SCIENCE FROM SCIENTISTS, INC.
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS-CASH BASIS
AUGUST 31, 2012

	<u>UNRESTRICTED</u> <u>FUND</u>	<u>RESTRICTED</u> <u>FUND</u>	<u>PROPERTY</u> <u>FUND</u>	<u>TOTAL</u> <u>ALL</u> <u>FUNDS</u>
<u>ASSETS</u>				
<u>CURRENT ASSETS</u>				
Cash	\$ 31,628	\$ ---	\$ ---	\$ 31,628
Total Current Assets	<u>31,628</u>	<u>---</u>	<u>---</u>	<u>31,628</u>
<u>TOTAL ASSETS</u>	<u>\$ 31,628</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 31,628</u>
 <u>NET ASSETS</u>				
Net Assets	\$ 31,628	\$ ---	\$ ---	\$ 31,628
<u>TOTAL NET ASSETS</u>	<u>\$ 31,628</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 31,628</u>

The Accompanying Notes are an integral part of these financial statements.

SCIENCE FROM SCIENTISTS, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS-CASH BASIS
For the Year Ended August 31, 2012

	<u>UNRESTRICTED</u> <u>FUND</u>	<u>RESTRICTED</u> <u>FUND</u>	<u>PROPERTY</u> <u>FUND</u>	<u>TOTAL</u> <u>ALL</u> <u>FUNDS</u>
<u>OPERATING REVENUES</u>				
Contributions	\$ 230,976	\$ ---	\$ ---	\$ 230,976
Contributions in Kind	<u>329,973</u>	<u>---</u>	<u>---</u>	<u>329,973</u>
Total Operating Revenue	<u>560,949</u>	<u>---</u>	<u>---</u>	<u>560,949</u>
<u>OPERATING EXPENSES</u>				
Program Service	541,224	---	---	541,224
Management & General	49,203	---	---	49,203
Fundraising	<u>10,669</u>	<u>---</u>	<u>---</u>	<u>10,669</u>
Total Operating Expenses	<u>601,096</u>	<u>---</u>	<u>---</u>	<u>601,096</u>
Excess of Operating Revenues Over Operating Expenses	(40,147)	---	---	(40,147)
<u>NET ASSETS, BEGINNING</u>				
<u>OF YEAR</u>	<u>71,775</u>	<u>---</u>	<u>---</u>	<u>71,775</u>
<u>NET ASSETS, END OF YEAR</u>	<u>\$ 31,628</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 31,628</u>

The Accompanying Notes are an integral part of these financial statements.

SCIENCE FROM SCIENTISTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES – CASH BASIS
For the Year Ended August 31, 2012

	MANAGEMENT AND GENERAL	PROGRAM SERVICE	FUNDRAISING	TOTAL
Advertising and Promotion	\$ 943	\$ 231	---	\$ 1,174
Compensation of Current Officers	9,225	1,125	3,150	13,500
Dr. Erika Show Production Costs	---	375,357	---	375,357
Insurance	---	---	---	---
Museum Fees	---	2,440	---	2,440
Occupancy	1,100	4,400	---	5,500
Office Expense	361	328	---	689
Operating Supplies – Production	---	7,649	---	7,649
Other Employee Benefits	---	---	---	---
Other Expenses	13,782	805	---	14,587
Other Salaries and Wages	19,030	119,787	6,600	145,417
Payroll Taxes	2,652	11,317	919	14,888
Printing	---	6,877	---	6,877
Professional Fees	1,375	5,248	---	6,623
Travel	<u>735</u>	<u>5,660</u>	<u>---</u>	<u>6,395</u>
<u>TOTAL EXPENSES</u>	<u>\$ 49,203</u>	<u>\$ 541,224</u>	<u>\$ 10,669</u>	<u>\$ 601,096</u>

The Accompanying Notes are an integral part of these financial statements.

SCIENCE FROM SCIENTISTS, INC.
STATEMENT OF CASH FLOWS –CASH BASIS
For the Year Ended August 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Adjustments to Reconcile Excess Revenues Expenses to
Net Cash Used By Operating Activities:

Net Cash Used by Operating Activities \$ (40,147)

NET DECREASE IN CASH AND
CASH EQUIVALENTS (40,147)

CASH AND CASH EQUIVALENTS,
BEGINNING OF YEAR 71,775

CASH AND CASH EQUIVALENTS,
END OF YEAR \$ 31,628

The Accompanying Notes are an integral part of these financial statements.

SCIENCE FROM SCIENTISTS, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PURPOSE OF ORGANIZATION. The primary goal of Science from Scientists, Inc. (The Organization) is to spark student interest in mathematics and the sciences by bringing hands-on aspects of these subjects to the students so they can learn the direct real-life applications of math and a science.

ESTIMATES. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BASIS OF ACCOUNTING. The financial statements have been prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Revenues are recognized when received, and expenses are recognized when paid.

INCOME TAXES. Science From Scientists, Inc. is exempt from Federal income taxes under Section (501)(c)(3) of the Internal Revenue Code. Contributions to Science From Scientists, Inc. are deductible by donors within the requirements of the Internal Revenue Code regulations.

CASH AND CASH EQUIVALENTS. For the purposes of the statements of cash flows, the organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

FUND ACCOUNTING. To ensure observance of limitation and restriction placed on the use of the resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. That is, the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund, accordingly all financial transactions have been recorded and reported by the fund group.

The assets, liabilities and net assets of the Organization are reported in self-balancing funds as follows:

Operating fund, which includes unrestricted and restricted resources, represent the portion of expendable funds that is available for support of Organization operations.

The Board of Directors and management employees of the Organization acknowledge that, to the best of their ability, all assets received have been used for the purpose for which they were contributed, or have been accumulated to allow management to conduct the operations of the Organization as effectively and efficiently as possible.

SCIENCE FROM SCIENTISTS, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
AUGUST 31, 2012

CONTRIBUTIONS, GIFTS, GRANTS. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions. Contributions may include gifts of cash or promises to give. Such contributions are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Restricted gifts or promises to give are required to be reported as restricted support in the period received and are then reclassified to unrestricted net assets upon satisfaction of the donor restriction.

In-kind contributions consisting of goods and services are reflected in the accompanying financial statements based upon the estimated value assigned to them by the donor, or by management. In-kind contributions includes donations from Comcast consisting of video production and air time at an estimated value of \$327,973. The value of the contributions was assigned by Comcast.

ADVERTISING. The Corporation expenses advertising costs as they are incurred.

CODIFICATION. The Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) became the single official source of authoritative nongovernmental U.S. generally accepted accounting principles (GAAP). The historical GAAP hierarchy was eliminated and the ASC became the only level of authoritative GAAP. The Corporation's accounting policies were not affected by the conversion to ASC.

REVENUE RECOGNITION. In accordance with Statement ASC 958, Not-For-Profit Entities, contributions are recognized as revenue at their fair value when received. All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to other legal restriction.

FAIR VALUE MEASUREMENTS FOR FINANCIAL ASSETS AND FINANCIAL LIABILITIES. ASC 820, Fair Value Measurements, establishes a framework for measuring fair value and expands disclosures about fair value measurements. This guidance only applies when the fair value measurements of assets and liabilities are required or permitted. The Corporation has determined that none of its financial or nonfinancial assets or liabilities are measured at fair value, therefore the disclosure requirements of ASC 820 do not currently apply.

EXPENSE ALLOCATION. Expenses related directly to a program are distributed to that program while other expenses are allocated based upon management's estimate of the percentage attributable to each program.

SCIENCE FROM SCIENTISTS, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
AUGUST 31, 2012

NOTE 2 **OCCUPANCY** The corporation maintains office space at 515 Beacon Street, Boston Massachusetts under a month by month licensing agreement. Either party may terminate the license upon one calendar month's notice to the other. The monthly license fees through September 30, 2012 were \$500 per month. The licensing agreement was rewritten at \$1000 per month commencing October 1, 2012.

NOTE 3 **FINANCIAL INSTRUMENTS – CONCENTRATION OF CREDIT RISK**

Statement of Financial Accounting Standards No. 107, "Disclosures About Fair Value of Financial Instruments," requires disclosure of the fair value of certain financial instruments. The carrying amounts of cash, short-term investments, accounts receivable, accounts payable and accrued expenses approximate fair value because of their short-term nature.

The organization maintains its cash in demand deposit accounts with federally insured financial institutions. At times, the balances in these accounts may be in excess of federally insured limits. Cash equivalents include money market funds which are not insured by FDIC or otherwise guaranteed by the U.S. Government. This risk is managed by maintaining all deposits in a high-quality institution.

NOTE 4 **RELATED PARTY TRANSACTIONS**

A family member of one of the Board of Directors was a salaried employee of Science from Scientists. This related party's salary for the year ended October 31, 2012 was \$4,500 and is included in salaries in the accompanying statements of functional expenses.

NOTE 5 **SUBSEQUENT EVENTS**. Management has considered subsequent events through January 23, 2013.