

SCIENCE FROM SCIENTISTS, INC.

FINANCIAL STATEMENTS

AUGUST 31, 2013

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying statement of Assets, Liabilities and Net Assets of Science From Scientists, Inc. (a non-profit organization) as of August 31, 2013, and the related statements of revenues, expenses and changes in net assets, functional expenses and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Rizzo & Restuccia, P.C.

March 20, 2014

SCIENCE FROM SCIENTISTS, INC.
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
AUGUST 31, 2013

	UNRESTRICTED FUND	RESTRICTED FUND	TOTAL ALL FUNDS
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash	\$ 47,890	\$ ---	\$ 47,890
Total Current Assets	<u>47,890</u>	<u>---</u>	<u>47,890</u>
<u>TOTAL ASSETS</u>	<u>\$ 47,890</u>	<u>\$ ---</u>	<u>\$ 47,890</u>
<u>LIABILITIES AND NET ASSEST</u>			
<u>LIABILITIES</u>			
Payroll Withholding	\$ 1,052	\$ ---	\$ 1,052
Total Liabilities	<u>1,052</u>	<u>---</u>	<u>1,052</u>
<u>NET ASSETS</u>			
Unrestricted	<u>46,838</u>	<u>---</u>	<u>46,838</u>
Total Net Assets	<u>46,838</u>	<u>---</u>	<u>46,838</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 47,890</u>	<u>\$ ---</u>	<u>\$ 47,890</u>

See Accompanying Notes and Independent Accountants' Review Report

SCIENCE FROM SCIENTISTS, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Year Ended August 31, 2013

	UNRESTRICTED FUND	RESTRICTED FUND	TOTAL ALL FUNDS
<u>OPERATING REVENUES</u>			
Contributions	\$ 151,110	\$ ---	\$ 151,110
Contributions in Kind	88,186	---	88,186
Grants	115,638	70,000	185,638
Other Revenues	<u>48,330</u>	<u>---</u>	<u>48,330</u>
Total Operating Revenues	<u>403,264</u>	<u>70,000</u>	<u>473,264</u>
Net Assets Released from Restrictions	<u>70,000</u>	<u>(70,000)</u>	<u>---</u>
	<u>473,264</u>	<u>---</u>	<u>473,264</u>
<u>OPERATING EXPENSES</u>			
Program Service	371,790	---	371,790
Management & General	47,234	---	47,234
Fundraising	<u>39,029</u>	<u>---</u>	<u>39,029</u>
Total Operating Expenses	<u>458,053</u>	<u>---</u>	<u>458,053</u>
Excess of Operating Revenues Over Operating Expenses	15,211	---	15,211
<u>NET ASSETS, BEGINNING OF YEAR</u>			
	<u>31,628</u>	<u>---</u>	<u>31,628</u>
<u>NET ASSETS, END OF YEAR</u>			
	<u>\$ 46,839</u>	<u>\$ ---</u>	<u>\$ 46,839</u>

See Accompanying Notes and Independent Accountants' Review Report

SCIENCE FROM SCIENTISTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended August 31, 2013

	MANAGEMENT AND GENERAL	PROGRAM SERVICE	FUNDRAISING	TOTAL
Advertising and Promotion	\$ 539	\$ 505	\$ ---	\$ 1,044
Compensation of Current Officers	8,933	4,937	4,609	18,479
Dr. Erika Show Production Costs	---	84,748	---	84,748
Insurance	1,893	1,893	---	3,786
Occupancy	2,220	8,880	---	11,100
Office Expense	307	350	---	657
Operating Supplies – Production	---	4,630	---	4,630
Other Expenses	7,858	9,301	---	17,159
Other Salaries and Wages	16,127	189,213	25,068	230,408
Outreach Program	---	36,636	---	36,636
Payroll Taxes	2,484	19,242	2,941	24,667
Printing	---	4,136	---	4,136
Professional Fees	5,994	---	6,411	12,405
Travel	<u>879</u>	<u>7,319</u>	<u>---</u>	<u>8,198</u>
<u>TOTAL EXPENSES</u>	<u>\$ 47,234</u>	<u>\$ 371,790</u>	<u>\$ 39,029</u>	<u>\$ 458,053</u>

See Accompanying Notes and Independent Accountants' Review Report

SCIENCE FROM SCIENTISTS, INC.
STATEMENT OF CASH FLOWS
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	\$ 15,211
Increase in Payroll Withholdings	<u>1,051</u>

**NET INCREASE IN CASH AND
CASH EQUIVALENTS**

16,262

**CASH AND CASH EQUIVALENTS,
BEGINNING OF YEAR**

31,628

**CASH AND CASH EQUIVALENTS,
END OF YEAR**

\$ 47,890

See Accompanying Notes and Independent Accountants' Review Report

SCIENCE FROM SCIENTISTS, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2013

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.

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, 2013

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 consists of video production and air time donated by Comcast. The estimated value of the contribution was assigned by Comcast at \$84,748. The remaining goods and services are reflected in the accompanying financial statements based upon the estimated value assigned to them by the donating organizations.

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.

SUBSEQUENT EVENTS. Management has considered subsequent events through March 20, 2014.

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, 2013

NOTE 2 **OCCUPANCY.** The corporation maintains office space at 515 Beacon Street, Boston Massachusetts under month by month licensing agreement renewable annually on October 1st. The monthly license fees through September 30, 2013 were \$500 per month. The licensing agreement was renewed at \$1000 per month commencing October 1, 2013.

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 **UNCERTAINTY IN INCOME TAXES**

The Corporation is exempt from Federal and State income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code. The Corporation has adopted the provisions of the Accounting for Uncertainty in income taxes topic under generally accepted accounting principles in the United States of America. This guidance addresses the accounting uncertainty in income taxes recognized in an organization’s financial statements and prescribes a threshold of “more likely than not” for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It also provides related guidance on measurement classification, interest and penalties and disclosures. As a result of the implementation of this guidance, the Organization has determined that it has no uncertain tax positions requiring accrual and disclosure.

The Organization files Return of Organization Exempt from Income Tax for U.S. Federal reporting and also files related Massachusetts reporting forms. The Organization does not have any unrelated business taxable income and as such does not file these forms in any jurisdiction. The Organization is not under audit in any jurisdiction for any period, and its tax returns are current. Generally, tax years are open for Internal Revenue Service audit for up to three years.