

Strategies For Youth, Inc.

Financial Statements

and

Independent Accountants' Review Report

June 30, 2015 and 2014

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors  
Strategies For Youth, Inc.  
Cambridge, MA 02139

We have reviewed the accompanying statements of financial position of Strategies For Youth, Inc. (a non-profit corporation) as of June 30, 2015 and 2014 and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation of the financial statements in accordance 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.

*Ingle & Associates LLC*

Ingle & Associates, LLC  
Shrewsbury, Massachusetts  
January 15, 2016

**Strategies For Youth, Inc.**

Statements of Financial Position  
June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 249,670	\$ 390,584
Accounts receivable	39,602	43,758
Fixed assets, net	6,164	-
Prepaid insurance	798	830
Deposits	<u>2,970</u>	<u>2,970</u>
Total assets	<u>\$ 299,204</u>	<u>\$ 438,142</u>
<u>Liabilities and Net Assets</u>		
Accounts payable and accrued expenses	\$ 19,026	\$ 7,385
Unrestricted net assets	55,382	77,843
Temporarily restricted net assets	<u>224,796</u>	<u>352,914</u>
Total liabilities and net assets	<u>\$ 299,204</u>	<u>\$ 438,142</u>

See accompanying notes to financial statements  
and independent accountants' review report.

**Strategies For Youth, Inc.**

Statement of Activities

For the years ended June 30, 2015 and 2014

	2015			2014			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Revenue:</b>							
Donor contributions	\$ 97,669	71,139	\$ -	\$ 38,696	\$ -	\$ -	\$ 38,696
Foundation Contributions	6,242	-	-	-	-	-	-
Program income	179,561	-	-	182,538	-	-	182,538
Grant income	-	25,000	-	-	463,220	-	463,220
Interest income	30	-	-	13	-	-	13
Net assets released from restrictions	224,257	(224,257)	-	110,306	(110,306)	-	-
<b>Total revenue</b>	<u>507,759</u>	<u>(128,118)</u>	<u>-</u>	<u>331,553</u>	<u>352,914</u>	<u>-</u>	<u>684,467</u>
<b>Expenses:</b>							
Program expense	434,860	-	-	190,928	-	-	190,928
General and administrative expense	95,360	-	-	69,742	-	-	69,742
<b>Total expenses</b>	<u>530,220</u>	<u>-</u>	<u>-</u>	<u>260,670</u>	<u>-</u>	<u>-</u>	<u>260,670</u>
<b>Increase in net assets</b>	<u>(22,461)</u>	<u>(128,118)</u>	<u>-</u>	<u>70,883</u>	<u>352,914</u>	<u>-</u>	<u>423,797</u>
<b>Net assets, beginning of year</b>	<u>77,843</u>	<u>352,914</u>	<u>-</u>	<u>6,960</u>	<u>-</u>	<u>-</u>	<u>6,960</u>
<b>Net assets, end of year</b>	<u>\$ 55,382</u>	<u>\$ 224,796</u>	<u>\$ -</u>	<u>\$ 77,843</u>	<u>\$ 352,914</u>	<u>\$ -</u>	<u>\$ 430,757</u>

See accompanying notes to financial statements and independent accountants' review report.

**Strategies For Youth, Inc.**

Statement of Cash Flows  
For the years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ (150,579)	\$ 423,797
Adjustments to reconcile increase in net income to net cash provided by (used in) operating activities:		
Depreciation	1,541	-
(Increase) decrease in operating assets:		
Accounts receivable	4,156	(36,058)
Prepaid expenses	32	(830)
Deposits	-	-
Accounts payable and accrued expenses	11,641	(10,454)
Net cash provided by (used in) operating activities	<u>(133,209)</u>	<u>376,455</u>
Cash flows from investing activities:		
Purchase of fixed assets	<u>(7,705)</u>	<u>-</u>
Cash flows from financing activities:		
None	<u>-</u>	<u>-</u>
Increase/(decrease) in cash	(140,914)	376,455
Cash, beginning of year	<u>390,584</u>	<u>14,129</u>
Cash, end of year	<u><u>\$ 249,670</u></u>	<u><u>\$ 390,584</u></u>
Supplemental information:		
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>659</u>	<u>\$ -</u>

See accompanying notes to financial statements  
and independent accountants' review report.

Strategies For Youth, Inc.

Notes to Financial Statements

June 30, 2015 and 2014

Note 1 - Nature of business

Strategies For Youth, Inc.. (“SFY”), a section 501 (c) (3) non-profit corporation, with experts from the Children & Adolescent Psychiatry Department of Massachusetts General Hospital (“MGH”) provides officer training to translate cutting edge psychiatric practice and neurological research into practical skills for officers to improve, facilitate and help de-escalate interactions with children and youth. These trainings are targeted for patrol officers as well as officers on specialized units. In addition, SFY provides and replicates the Juvenile Justice Jeopardy game to teach youth how to navigate interactions with police and their peers and understand the short and long term consequences of arrest and court involvement. Additionally, SFY provides assessments and technical assistance to police and sheriff's departments

Note 2 - Summary of significant accounting policies

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accrual basis:

The financial statements of SFY have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and, accordingly, reflect all significant receivables, payables and other liabilities.

Cash and cash equivalents:

Cash equivalents are short term investments maturing within ninety days of the balance sheet date. SFY cash and cash equivalents are considered entirely unrestricted and are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in any of its programs or supporting services.

Strategies For Youth, Inc.

Notes to Financial Statements  
June 30, 2015 and 2014

Note 2 – continued

Account receivable and bad debts:

The accounts receivable are recorded in the amounts the Organization expects to collect on balances outstanding a year-end. SFY considers accounts receivable to be fully collectible, accordingly no allowance for doubtful accounts is required. If amounts become uncollectible, they will be expensed when that determination is made.

Property and Equipment

Property and equipment are carried at cost or at fair value as of the date of the gift. The Organization capitalizes property and equipment if its value is greater than \$1,500 and has a useful life of more than three years. Depreciation is computed using the straight-line method over the assets' useful life.

Income taxes:

SFY is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is considered other than a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

The Organization follows the Accounting for Uncertainty in Income Taxes standard, which requires the Organization to report uncertain tax positions, related interest and penalties, and to adjust its assets and liabilities related to unrecognized tax benefits and accrued interest and penalties accordingly. As of June 30, 2015 the Organization determined that there are no material unrecognized tax benefits to report.

Information returns filed for the prior three years remain subject to examination by the Internal Revenue Service and Massachusetts tax authorities. The Organization does not expect that the amounts of unrecognized tax benefits will change significantly within the next twelve months.

Financial statement presentation:

SFY reports information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.



Strategies For Youth, Inc.

Notes to Financial Statements  
June 30, 2015 and 2014

Note 2 – continued

Contributions:

The organization records as revenue the following types of contributions, when they are received, at fair value: cash, volunteered services, and gifts in kind. Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to the three classes of net asset: permanently restricted, temporarily restricted, and unrestricted

Revenues:

Revenues are generated from program services and contributions. The primary source of program services are from officer training totaling \$169,561 and \$181,872 for the years ended June 30, 2015 and 2014 and is included in program income in the Statement of Activities.

Contributed services:

During the years ended June 30, 2015 and 2014, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Advertising expense:

SFY expenses the advertising and marketing expenses directly when incurred. The advertising and marketing expenses totaled \$6,677 and \$6,625 for the year ended June 30, 2015 and 2014, respectively

Note 3 – Property and Equipment

	Estimated Useful Life	<u>2015</u>	2014
Office furniture & equipment	5-10 years	7,705	-
Less accumulated depreciation		<u>(1,541)</u>	-
		<u>6,104</u>	-

Strategies For Youth, Inc.

Notes to Financial Statements  
June 30, 2015 and 2014

Note 4- Unrestricted net assets

Unrestricted net assets are available for general business purposes. There are no restrictions on the use of these net assets. The balance of the unrestricted net assets is made up of beginning unrestricted net assets plus the increase (decrease) in unrestricted net assets during the year. The unrestricted net assets amounted to \$55,382 and \$77,843 for the year ended June 30, 2015 and 2014, respectively. The temporarily restricted net assets amounted to \$224,796 and \$352,914 for the years ended June 30, 2015 and 2014. There were no permanently restricted net assets as of June 30, 2015 and 2014.

Note 5- Evaluation of Subsequent Events

The Organization has evaluated subsequent events through January 15, 2016 the date which the financial statements were available to be issued. No subsequent events were found.

Note 67 – Reclassifications

Prior period financial statement amounts have been reclassified to conform to current period presentation.

**Strategies For Youth, Inc.**

Supplementary Information

For the years ended June 30, 2015 and 2014

	2015		2014	
	<u>Program Expenses</u>	<u>Management &amp; General</u>	<u>Program Expenses</u>	<u>Management &amp; General</u>
		<u>Total</u>		<u>Total</u>
Contract services-administration	\$ -	\$ 1,000	\$ -	\$ 4,020
Contract services-accounting	-	8,670	-	9,775
Contract services-outside services	82,535	-	56,599	-
Contract services-youth stipends	-	-	490	-
Compensation and benefits	226,040	35,169	67,134	28,531
Insurance		9,911		2,559
Interest expense	659	-	-	1,565
Office expense	4,623	-	4,675	-
Occupancy	-	28,350	-	19,158
Miscellaneous	-	4,370	-	2,679
Advertising expense	5,218	1,459	5,433	1,192
Bad debt expense	-	-	1,250	-
Depreciation	-	1,541	-	-
Memberships	400	-	1,030	-
Postage	2,506	-	1,805	-
Web design	-	4,890	-	138
Printing and copying	652	-	4,069	-
Film making	19,941	-	-	-
Supplies	17,365	-	5,233	125
Travel and meetings	74,834	-	40,157	-
Conferences and meetings	87	-	3,053	-
	<u>\$ 434,860</u>	<u>\$ 95,360</u>	<u>\$ 190,928</u>	<u>\$ 69,742</u>
		<u>\$ 530,220</u>		<u>\$ 260,670</u>

See independent accountants' review report.