

Strategies For Youth, Inc.

Financial Statements

and

Independent Accountants' Review Report

June 30, 2013 and 2012

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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, 2013 and 2012 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 & Company, P.C.
Wellesley Hills, Massachusetts
December 31, 2013

Strategies For Youth, Inc.

**Statements of Financial Position
June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 14,129	\$ 44,144
Accounts receivable	7,700	22,250
Deposits	<u>2,970</u>	<u>-</u>
Total assets	<u>\$ 24,799</u>	<u>\$ 66,394</u>
<u>Liabilities and Net Assets</u>		
Accounts payable and accrued expenses	\$ 17,839	\$ 11,249
Unrestricted net assets	6,960	(32,855)
Temporarily restricted net assets	<u>-</u>	<u>88,000</u>
Total liabilities and net assets	<u>\$ 24,799</u>	<u>\$ 66,394</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, 2013 and 2012

	2013			2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue:							
Donor contributions	\$ 64,183	\$ -	\$ -	\$ 30,503	\$ -	\$ -	\$ 30,503
Foundation Contributions	-	-	-	10,000	100,000	-	110,000
Program income	131,172	-	-	53,409	-	-	53,409
Net assets released from restrictions	88,000	(88,000)	-	-	-	-	-
Total revenue	283,355	(88,000)	-	93,912	100,000	-	193,912
Expenses:							
Program expense	73,581	-	-	40,612	-	-	40,612
General and administrative expense	169,959	-	-	99,449	12,000	-	111,449
Total expenses	243,540	-	-	140,061	12,000	-	152,061
Increase in net assets	39,815	(88,000)	-	(46,149)	88,000	-	41,851
Net assets, beginning of year	(32,855)	88,000	-	13,294	-	-	13,294
Net assets, end of year	\$ 6,960	\$ -	\$ -	\$ (32,855)	\$ 88,000	\$ -	\$ 55,145

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, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Change in net assets	\$ 39,815	\$ 41,851
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Changes in:		
Accounts receivable	14,550	(19,575)
Deposits	(2,970)	-
Accounts payable and accrued expenses	<u>6,589</u>	<u>400</u>
Net cash provided by operating activities	<u>57,984</u>	<u>22,676</u>
Cash flows from investing activities:		
None	<u>-</u>	<u>-</u>
Cash flows from financing activities:		
None	<u>-</u>	<u>-</u>
Increase in cash	57,984	22,676
Cash, beginning of year	<u>44,145</u>	<u>21,468</u>
Cash, end of year	<u>\$ 102,129</u>	<u>\$ 44,144</u>
Supplemental information:		
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>

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

Strategies For Youth, Inc.

Notes to Financial Statements
June 30, 2013 and June 30, 2012

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, 2013

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.

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, 2013 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.

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

Strategies For Youth, Inc..

Notes to Financial Statements
June 30, 2013

Note 2 – continued

Revenues:

Revenues are generated from program services and contributions. The primary source of program services are from officer training totaling \$106,172 and \$35,409 for the years ended June 30, 2013 and 2012 and is included in program income in the Statement of Activities.

Contributed services:

During the years ended June 30, 2013 and 2012, 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 \$3,007 and \$1,506 for the year ended June 30, 2013 and 2012, respectively

Note 3 – Concentration of revenue sources

The Organization had two major clients, which together generated approximately 36% of the total revenue for the year ended June 30, 2013.

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 \$6,920 and \$(32,855) for the year ended June 30, 2013 and 2012, respectively. The temporarily restricted net assets amounted to \$88,000 for the year ended June 30, 2012. There were no permanently restricted net assets as of June 30, 2013 and 2012.

Note 5 - Evaluation of Subsequent Events

The Organization has evaluated subsequent events through January 31, 2014 the date which the financial statements were available to be issued. No subsequent events were found.

Strategies For Youth, Inc.

Supplementary Information

For the years ended June 30, 2013 and 2012

	2013		2012	
	<u>Program Expenses</u>	<u>Management & General</u>	<u>Program Expenses</u>	<u>Management & General</u>
		<u>Total</u>		<u>Total</u>
Contract services-admin	\$ -	1,495	\$ 1,495	\$ 9,299
Contract services-accounting	-	7,614	7,614	10,308
Contract services-outside services	5,825	25,886	31,711	25,910
Contract services-youth stipends	1,735	-	1,735	745
Compensation and benefits	-	108,935	108,935	54,974
Interest expense	-	630	630	136
Office expense	9,460	-	9,460	6,972
Occupancy	-	18,625	18,625	-
Miscellaneous	-	152	152	-
Advertising expense	3,233	-	3,233	1,506
Bad debt expense	1,955	-	1,955	-
Memberships	844	-	844	1,575
Postage	1,602	-	1,602	1,375
Web design	-	6,622	6,622	-
Printing and copying	6,544	-	6,544	2,076
Film making	270	-	270	488
Supplies	4,664	-	4,664	4,939
Travel and meetings	33,857	-	33,857	19,926
Conferences and meetings	3,592	-	3,592	1,010
	<u>\$ 73,581</u>	<u>\$ 169,959</u>	<u>\$ 243,540</u>	<u>\$ 40,612</u>
				<u>\$ 111,449</u>
				<u>\$ 152,061</u>

See independent accountants' review report.