

# Strategies For Youth, Inc.

Financial Statements

and

Independent Accountants' Review Report

June 30, 2014 and 2013

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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, 2014 and 2013 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.

A handwritten signature in cursive script that reads 'Robert C. Ingle, CPA'.

Ingle & Company, P.C.  
Wellesley Hills, Massachusetts  
May 6, 2015

**Strategies For Youth, Inc.**

Statements of Financial Position  
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 390,584	\$ 14,129
Accounts receivable	43,758	7,700
Prepaid insurance	830	-
Deposits	<u>2,970</u>	<u>2,970</u>
Total assets	<u>\$ 438,142</u>	<u>\$ 24,799</u>
<u>Liabilities and Net Assets</u>		
Accounts payable and accrued expenses	\$ 7,385	\$ 17,839
Unrestricted net assets	77,843	6,960
Temporarily restricted net assets	<u>352,914</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 438,142</u>	<u>\$ 24,799</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, 2014 and 2013

	2014			2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue:							
Donor contributions	\$ 38,696	-	\$ -	\$ 64,183	-	\$ -	\$ 64,183
Foundation Contributions	-	-	-	-	-	-	-
Program income	182,538	-	-	131,172	-	-	131,172
Grant income	-	463,220	-	-	-	-	-
Interest income	13	-	13	-	-	-	-
Net assets released from restrictions	110,306	(110,306)	-	88,000	(88,000)	-	-
Total revenue	331,553	352,914	-	283,355	(88,000)	-	195,355
Expenses:							
Program expense	190,928	-	-	180,195	-	-	180,195
General and administrative expense	69,742	-	-	63,345	-	-	63,345
Total expenses	260,670	-	-	243,540	-	-	243,540
Increase in net assets	70,883	352,914	-	39,815	(88,000)	-	(48,185)
Net assets, beginning of year	6,960	-	-	(32,855)	88,000	-	55,145
Net assets, end of year	\$ 77,843	\$ 352,914	\$ -	\$ 6,960	\$ -	\$ -	\$ 6,960

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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Change in net assets	\$ 423,797	\$ (48,185)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Changes in:		
Accounts receivable	(36,058)	14,550
Prepaid expenses	(830)	-
Deposits	-	(2,970)
Accounts payable and accrued expenses	<u>(10,454)</u>	<u>6,589</u>
Net cash provided by operating activities	<u>376,455</u>	<u>(30,016)</u>
Cash flows from investing activities:		
None	<u>-</u>	<u>-</u>
Cash flows from financing activities:		
None	<u>-</u>	<u>-</u>
Increase in cash	376,455	(30,016)
Cash, beginning of year	<u>14,129</u>	<u>44,145</u>
Cash, end of year	<u><u>\$ 390,584</u></u>	<u><u>\$ 14,129</u></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, 2014 and 2013

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, 2014 and 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, 2014 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, 2014 and 2013

Note 2 – continued

Revenues:

Revenues are generated from program services and contributions. The primary source of program services are from officer training totaling \$181,872 and \$106,172 for the years ended June 30, 2014 and 2013 and is included in program income in the Statement of Activities.

Contributed services:

During the years ended June 30, 2014 and 2013, 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 \$6,626 and \$3,233 for the year ended June 30, 2014 and 2013, respectively

Note 3 – Concentration of revenue sources

The Organization had two major revenue sources, which together generated approximately 57% of the total revenue for the year ended June 30, 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 \$77,843 and \$6,960 for the year ended June 30, 2014 and 2013, respectively. The temporarily restricted net assets amounted to \$352,914 for the year ended June 30, 2014. There were no permanently restricted net assets as of June 30, 2014 and 2013.

Note 5 - Evaluation of Subsequent Events

The Organization has evaluated subsequent events through May 7, 2015 the date which the financial statements were available to be issued. No subsequent events were found.

Strategies For Youth, Inc..

Notes to Financial Statements  
June 30, 2014 and 2013

Note 6 – 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, 2014 and 2013

	2014			2013		
	<u>Program Expenses</u>	<u>Management &amp; General</u>	<u>Total</u>	<u>Program Expenses</u>	<u>Management &amp; General</u>	<u>Total</u>
Contract services-admin	\$ -	4,020	\$ 4,020	\$ -	1,495	\$ 1,495
Contract services-accounting	-	9,775	9,775	-	7,614	7,614
Contract services-outside services	56,599	-	56,599	31,711	-	31,711
Contract services-youth stipends	490	-	490	1,735	-	1,735
Compensation and benefits	67,134	28,531	95,665	80,728	28,207	108,935
Interest expense	-	1,565	1,565	-	630	630
Office expense	4,675	-	4,675	9,460	-	9,460
Occupancy	-	21,717	21,717	-	18,625	18,625
Miscellaneous	-	2,679	2,679	-	152	152
Advertising expense	5,433	1,192	6,625	3,233	-	3,233
Bad debt expense	1,250	-	1,250	1,955	-	1,955
Memberships	1,030	-	1,030	844	-	844
Postage	1,805	-	1,805	1,602	-	1,602
Web design	-	138	138	-	6,622	6,622
Printing and copying	4,069	-	4,069	6,544	-	6,544
Film making	-	-	-	270	-	270
Supplies	5,233	125	5,358	4,664	-	4,664
Travel and meetings	40,157	-	40,157	33,857	-	33,857
Conferences and meetings	3,053	-	3,053	3,592	-	3,592
	<u>\$ 190,928</u>	<u>\$ 69,742</u>	<u>\$ 260,670</u>	<u>\$ 180,195</u>	<u>\$ 63,345</u>	<u>\$ 243,540</u>

See independent accountants' review report.