

**TUTORING PLUS OF CAMBRIDGE, INC.**

**Financial Statements**

**June 30, 2015**

**TUTORING PLUS OF CAMBRIDGE, INC.**

Index

June 30, 2015

**Independent Accountants' Review Report**

**Financial Statements:**

Statement of Financial Position as of June 30, 2015 with Comparative Totals as of June 30, 2014	1
Statement of Activities for the Year Ended June 30, 2015 with Comparative Totals for the Year Ended June 30, 2014	2
Statement of Cash Flows for the Year Ended June 30, 2015 with Comparative Totals for the Year Ended June 30, 2014	3
Statement of Functional Expenses for the Year Ended June 30, 2015 with Comparative Totals for the Year Ended June 30, 2014	4
Notes to Financial Statements	5-10



**Independent Accountants' Review Report**

To the Board of Trustees/Directors of  
Tutoring Plus of Cambridge, Inc.  
Cambridge, Massachusetts

We have reviewed the accompanying statement of financial position of Tutoring Plus of Cambridge, Inc. (the Organization) as of June 30, 2015 and the related statements of activities, cash flows and functional expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's 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 taken 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 controls 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.

The financial statements for the year ended June 30, 2014, were previously reviewed by other accountants and there were no material modifications that should have been made to those financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America in their report dated October 9, 2014. The prior year summarized comparative information has been derived from the Organization's 2014 financial statements. The prior year comparative information is not intended to constitute a presentation in conformity with accounting principles generally accepted in the United States of America.

*Kevin P. Martin & Associates, P.C.*

December 21, 2015

**Tutoring Plus of Cambridge, Inc.**

Statement of Financial Position

As of June 30, 2015  
with Comparative Totals as of June 30, 2014

<b>Assets</b>	<u>2015</u>	<u>2014</u>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 95,459	\$ 64,371
Accounts receivable	-	1,922
Prepaid expenses	<u>7,530</u>	<u>7,155</u>
Total current assets	102,989	73,448
Office equipment	27,650	27,074
Less: accumulated depreciation	<u>(23,058)</u>	<u>(16,667)</u>
Total office equipment, net	<u>4,592</u>	<u>10,407</u>
<b>Total Assets</b>	<u>\$ 107,581</u>	<u>\$ 83,855</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 4,392	\$ 7,081
Accrued expenses	<u>4,984</u>	<u>4,311</u>
Total current liabilities	<u>9,376</u>	<u>11,392</u>
<b>Total Liabilities</b>	<u>9,376</u>	<u>11,392</u>
<b>Net Assets</b>		
Unrestricted net assets	<u>98,205</u>	<u>72,463</u>
Total net assets	<u>98,205</u>	<u>72,463</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 107,581</u>	<u>\$ 83,855</u>

See accompanying notes and independent accountant's review report

**Tutoring Plus of Cambridge, Inc.**

Statement of Activities

For the Year Ended June 30, 2015  
with Comparative Totals for the Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	2015	2014
<b>Revenue and Support</b>				
Contributions and grants	\$ 189,249	\$ 10,000	\$ 199,249	\$ 150,200
Special events	30,390	-	30,390	58,627
In-kind donations	143,329	-	143,329	155,809
Release from restriction	10,000	(10,000)	-	-
Services fees	6,000	-	6,000	19,411
Interest income	54	-	54	50
	<b>379,022</b>	<b>-</b>	<b>379,022</b>	<b>384,097</b>
<b>Expenses</b>				
Program services	241,901	-	241,901	314,657
General and administrative	49,824	-	49,824	40,905
Fundraising	61,555	-	61,555	59,178
	<b>353,280</b>	<b>-</b>	<b>353,280</b>	<b>414,740</b>
<b>Change in Net Assets</b>	<b>25,742</b>	<b>-</b>	<b>25,742</b>	<b>(30,643)</b>
<b>Net Assets at Beginning of Year</b>	<b>72,463</b>	<b>-</b>	<b>72,463</b>	<b>103,106</b>
<b>Net Assets at End of Year</b>	<b>\$ 98,205</b>	<b>\$ -</b>	<b>\$ 98,205</b>	<b>\$ 72,463</b>

See accompanying notes and independent accountant's review report

**Tutoring Plus of Cambridge, Inc.**

Statement of Cash Flows

For the Year Ended June 30, 2015  
with Comparative Totals for the Year Ended June 30, 2014

<b>Cash Flows from Operating Activities</b>	<u>2015</u>	<u>2014</u>
<b>Change in net assets</b>	\$ 25,742	\$ (30,643)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,391	7,963
Decrease (increase) in assets,		
Accounts receivable	1,922	6,443
Prepaid expenses	(375)	(178)
Increase (decrease) in liabilities		
Accounts payable	(2,689)	4,360
Accrued expenses	<u>673</u>	<u>(4,639)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>31,664</u>	<u>(16,694)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from the sale of investments	-	4,132
Purchase of fixed asset	<u>(576)</u>	<u>-</u>
<b>Net Cash (Used in) Provided by Investing Activities</b>	<u>(576)</u>	<u>4,132</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>31,088</u>	<u>(12,562)</u>
<b>Cash and Cash Equivalents - Beginning</b>	<u>64,371</u>	<u>76,933</u>
<b>Cash and Cash Equivalents - Ending</b>	<u><u>\$ 95,459</u></u>	<u><u>\$ 64,371</u></u>

See accompanying notes and independent accountant's review report

**Tutoring Plus of Cambridge, Inc.**

Statement of Functional Expenses

For the Year Ended June 30, 2015  
with Comparative Totals for the Year Ended June 30, 2014

	<b>2015</b>						<b>2014</b>
	<b>Prevention &amp; Education</b>	<b>Tutor/Mentor Management</b>	<b>Total Program</b>	<b>General &amp; Administrative</b>	<b>Fundraising</b>	<b>Total</b>	<b>Total</b>
Salaries	\$ 49,092	\$ 21,900	\$ 70,992	\$ 15,454	\$ 27,197	\$ 113,643	\$ 146,048
Payroll taxes	3,685	1,723	5,408	4,258	1,955	11,621	14,805
Fringe benefits	1,447	254	1,701	882	1,385	3,968	1,713
Subtotal	<u>54,224</u>	<u>23,877</u>	<u>78,101</u>	<u>20,594</u>	<u>30,537</u>	<u>129,232</u>	<u>162,566</u>
Advertising	483	16	499	17	855	1,371	600
Bank charges	-	-	-	-	796	796	1,382
Consultants	-	-	-	10,089	-	10,089	15,101
Depreciation	4,293	162	4,455	1,677	259	6,391	7,963
Dues and subscriptions	80	-	80	-	583	663	423
Equipment maintenance	223	-	223	190	-	413	1,301
Field trips/transportation	2,671	-	2,671	-	69	2,740	2,141
In-kind facilities	8,356	2,475	10,831	3,363	3,806	18,000	18,000
In-kind services	124,829	500	125,329	-	-	125,329	137,809
Insurance	-	-	-	9,100	-	9,100	9,295
Miscellaneous	2,479	378	2,857	95	-	2,952	1,057
Office expenses	314	577	891	146	100	1,137	2,178
Payroll processing fees	743	743	1,486	743	743	2,972	2,126
Postage	123	18	141	8	1,163	1,312	1,431
Printing and copying	50	-	50	5	2,012	2,067	1,172
Professional fees	-	-	-	3,500	7,000	10,500	3,500
Special event expenses	-	-	-	-	10,050	10,050	17,114
Staff recruitment and development	130	95	225	199	3,515	3,939	533
Supplies	1,068	117	1,185	98	67	1,350	8,807
Interns/workstudy	12,877	-	12,877	-	-	12,877	20,241
Total expenses	<u>\$ 212,943</u>	<u>\$ 28,958</u>	<u>\$ 241,901</u>	<u>\$ 49,824</u>	<u>\$ 61,555</u>	<u>\$ 353,280</u>	<u>\$ 414,740</u>

See accompanying notes and independent accountant's review report

# TUTORING PLUS OF CAMBRIDGE, INC.

## Notes to Financial Statements

June 30, 2015

### **(1) Summary of Significant Accounting Policies**

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The significant accounting policies followed by Tutoring Plus of Cambridge, Inc. (the Organization) are described below to enhance the usefulness of the financial statements to the reader.

#### ***(a) Nature of Activities***

The Organization was organized in Massachusetts under Chapter 180 on June 22, 1971. The organization is dedicated to supporting and encouraging the academic, personal, and social growth of youth in Cambridge, Massachusetts with the help of volunteers and community partners. The Organization offers one-on-one tutoring, mentoring, small group homework support and enrichment to youth in grades four to twelve. Through its eight programs: Elementary Tutoring, Middle School Tutoring, High School Tutoring, Science Explorers, Future Engineers, Math Plus, Book Club, and Girls, Media and You, the Organization has served 211 students with the help of 152 volunteers during the 2014-2015 academic school year.

#### ***(b) Standards of Accounting and Reporting***

The Organization's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The statement of financial position presents two classes of net assets (unrestricted and temporarily restricted) and the statement of activities displays the change in each class of net assets. The classes of net assets applicable to the Organization are presented as follows:

Unrestricted - Unrestricted net assets are not subject to donor imposed restrictions. Unrestricted net assets consist of assets and contributions available for the support of operations. Unrestricted net assets may be designated for specific purposes by management or the Board of Directors. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law.

Temporarily Restricted - Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.



# TUTORING PLUS OF CAMBRIDGE, INC.

## Notes to Financial Statements

June 30, 2015

### (1) Summary of Significant Accounting Policies - continued

#### (c) *Cash and Cash Equivalents*

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

The Organization maintains its cash balances at one financial institutions located in Massachusetts. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of June 30, 2015.

#### (d) *Accounts Receivable*

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

#### (e) *Promises to Give*

Unconditional promises to give are recognized as revenue and as assets, net of allowances, in the period in which the promises are made. Unconditional promises to give are recorded, in the year received, at the present value of estimated future cash flows using a risk-adjusted discount rate. Amortization of the discount is included in contribution revenue. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and when the promises become unconditional.

#### (f) *Office Equipment*

Office equipment is recorded at cost or if donated, fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Improvements, including planned major maintenance activities are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities.

The Organization computes depreciation using the straight-line method over the following estimated lives:

Office equipment

3-5 years

# TUTORING PLUS OF CAMBRIDGE, INC.

## Notes to Financial Statements

June 30, 2015

### (1) Summary of Significant Accounting Policies - continued

#### (g) Revenue Recognition

The Organization earns revenue as follows:

Contributions and grants – Contributions and grants are recorded upon receipt or pledge as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Special Events - Special event revenue is primarily derived from contributions collected and fees charged for admission at various sponsored events. Special event contributions and fees are recognized as income when received.

Service fees – Service fee revenue are earned and recognized by the Organization when units or services are provided and billed under various agreements funded primarily by governmental agencies. All contracts consist of cost-reimbursement contracts, all with ceiling amounts. Under the cost-reimbursement contracts, revenue recognition takes place as costs related to the services provided are incurred. Billings on the contracts are subject to final approval by the governmental Organization.

Substantially all of the Organization's revenue is derived from foundations, corporations and individual donations. During the year ended June 30, 2015, the Organization derived approximately 3% of its total revenue from governmental agencies, and 97% from foundations, corporations, and individual donors. All revenue is recorded at the estimated net realizable amounts.

#### (h) Contributed Services and Gifts in Kind

Donated materials are reported as contributions in the financial statements at their estimated fair values at the time of receipt. Donated services are similarly reported when services are performed which would otherwise have been purchased or performed by Organization personnel.

As of June 30, 2015, the Organization received 3,440 volunteer hours from individuals with the specialized skills to provide tutoring resulting in an estimated value of \$98,411. The Organization was provided the use of a dedicated office space and part-time use of six classrooms inside public schools, supplies and minor equipment for use at the Organization, and services of an AmeriCorps Massachusetts Promise Fellow. The value of those in-kind goods, services, and space were recorded at the following estimated values:

Tutors	\$ 98,411
Site/Program Manager	26,918
Space	<u>18,000</u>
Total donated services/space	\$ <u>143,329</u>

# TUTORING PLUS OF CAMBRIDGE, INC.

## Notes to Financial Statements

June 30, 2015

### **(1) Summary of Significant Accounting Policies - continued**

#### ***(h) Contributed Services and Gifts in Kind - continued***

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific educational programs, administrative, clerical, and maintenance functions as well as various committee assignments. The Organization would not have paid for these volunteered services if they had not been donated and therefore, they have not been reflected in the financial statements.

#### ***(i) Fundraising***

Fundraising relates to the activities of raising general and specific contributions to the Organization and promoting special events.

#### ***(j) Special Events***

The Organization has determined that special events are incidental to its operations and therefore the direct costs of benefit to the donors is reported with fundraising expense and is not included with special events revenue.

#### ***(k) Functional Allocation of Expenses***

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

#### ***(l) Advertising Costs***

The Organization expenses advertising costs when they are incurred. Advertising expense was \$1,371 for the year ended June 30, 2015.

#### ***(m) Use of Estimates***

In preparing the Organization's financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## TUTORING PLUS OF CAMBRIDGE, INC.

Notes to Financial Statements

June 30, 2015

### (1) Summary of Significant Accounting Policies - continued

#### *(n) Income Taxes*

The Organization qualifies as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC) and therefore is not subject to income tax. The Organization is not a private foundation under Section 509(a)(1). The Organization is exempt from federal and state income tax under 501(c)(4) of the IRC. Certain unrelated business income, as defined in the IRC, is subject to federal income tax. For the year ended June 30, 2015, there was no liability for tax on unrelated business income.

U.S. GAAP prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For the year ended June 30, 2015, the Organization has determined that it has not taken any tax positions which would result in an uncertainty requiring recognition in the accompanying financial statements. The Organization recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. There were no interest or penalties for the year ended June 30, 2015.

Generally, the Organization's information/tax returns remain open for possible federal income tax examination for three years after the filing date. The Organization is not currently under examination by any taxing jurisdiction.

#### *(o) Summarized Financial Information for 2014*

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Also, the financial statements do not include a full presentation of the statement of functional expenses, as certain prior year summarized comparative information is presented in total but not by functional classification. In addition, the financial statements do not include full financial statement disclosures for the prior year. Such information does not include sufficient detail to constitute a presentation in conformity with U. S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

#### *(p) Reclassifications*

Certain amounts in the prior year have been reclassified to conform to the current year presentation.

## **TUTORING PLUS OF CAMBRIDGE, INC.**

### Notes to Financial Statements

June 30, 2015

#### **(2) Commitments and Contingencies**

The Organization receives a portion of its funding from government agencies. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the government. Until such audits have been completed, if any, and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

The Organization's operations are concentrated in the social service provider field. As such, the Organization operates in a heavily regulated environment. The operations of the Organization are subject to administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to the following:

City of Cambridge, Massachusetts

Such administrative directives, rules and regulations are subject to change by an act of Congress, act of the state and local legislature or an administrative change mandated by the City of Cambridge, Massachusetts.

#### **(3) Employee Benefits**

The Organization has a defined contribution pension plan that qualifies as a tax-sheltered account under Section 403(b)(7) of the IRC for the benefit of eligible employees. Participants in the plan are fully vested after three years of service. Under the plan, benefit eligible employees can invest pre-tax dollars. The employees are not taxed on contributions or earnings until they receive distributions from the account. This plan was terminated in fiscal year 2016. The Organization's contributions under this plan amounted to \$238 for the year ended June 30, 2015.

#### **(4) Subsequent Events**

The Organization has performed an evaluation of subsequent events through December 21, 2015 which is the date the Organization's financial statements were available to be issued. No material subsequent events have occurred since June 30, 2015 that required recognition or disclosure in these financial statements.