



South Asian Youth Action

Audited Financial Statements

June 30, 2015



Independent Auditors' Report

To the Board of Directors of
South Asian Youth Action, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of South Asian Youth Action, Inc. ("SAYA"), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

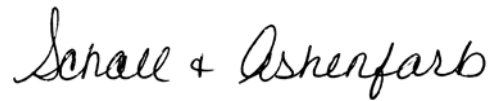
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Asian Youth Action, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the South Asian Youth Action, Inc.'s 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 4, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb
Certified Public Accountants, LLC

December 2, 2015

SOUTH ASIAN YOUTH ACTION, INC.
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2015
(With comparative totals at June 30, 2014)

	<u>6/30/15</u>	<u>6/30/14</u>
Assets		
Cash and cash equivalents	\$949,669	\$894,187
Investments (Note 4)	218,301	109,192
Pledges receivable	27,500	0
Government grants receivable	103,000	113,464
Contract fees receivable	55,014	89,200
Prepaid expenses and other assets	78,762	59,061
Property and equipment, net (Note 5)	11,139	17,378
Security deposit	1,600	1,600
	<u> </u>	<u> </u>
Total assets	<u>\$1,444,985</u>	<u>\$1,284,082</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$112,830	\$59,662
Deferred revenue	31,500	15,000
Total liabilities	<u>144,330</u>	<u>74,662</u>
Net assets:		
Unrestricted		
Operations	959,104	849,690
Board designated	218,301	109,192
Total unrestricted	<u>1,177,405</u>	<u>958,882</u>
Temporarily restricted (Note 3)	123,250	250,538
Total net assets	<u>1,300,655</u>	<u>1,209,420</u>
Total liabilities and net assets	<u>\$1,444,985</u>	<u>\$1,284,082</u>

The attached notes and auditors' report are an integral part of these financial statements.

SOUTH ASIAN YOUTH ACTION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
(With comparative totals for the year ended June 30, 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 6/30/15</u>	<u>Total 6/30/14</u>
Public support and revenue:				
Government grants	\$1,368,716		\$1,368,716	794,863
Foundation contributions	62,000	\$35,000	97,000	360,175
Corporation contributions	15,239		15,239	16,600
Individual contributions	2,389		2,389	13,609
Contract services	90,650		90,650	192,100
Special event income (net of direct benefits to donors) (Note 6)	829,095	110,000	939,095	904,616
Program income			0	0
Investment losses (Note 4)	(402)		(402)	(555)
Other income			0	17,690
Net assets released from restrictions	272,288	(272,288)	0	0
Total public support and revenue	<u>2,639,975</u>	<u>(127,288)</u>	<u>2,512,687</u>	<u>2,299,098</u>
Expenses:				
Program services	1,907,117		1,907,117	1,542,561
Supporting services:				
Management and general	274,003		274,003	315,569
Fundraising	240,332		240,332	271,372
Total supporting services	<u>514,335</u>	<u>0</u>	<u>514,335</u>	<u>586,941</u>
Total expenses	<u>2,421,452</u>	<u>0</u>	<u>2,421,452</u>	<u>2,129,502</u>
Change in net assets	218,523	(127,288)	91,235	169,596
Net assets - beginning of year	<u>958,882</u>	<u>250,538</u>	<u>1,209,420</u>	<u>1,039,824</u>
Net assets - end of year	<u><u>\$1,177,405</u></u>	<u><u>\$123,250</u></u>	<u><u>\$1,300,655</u></u>	<u><u>\$1,209,420</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

SOUTH ASIAN YOUTH ACTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015
(With comparative totals for the year ended June 30, 2014)

	Program Services	Management and General	Fundraising	Total Expenses 6/30/15	Total Expenses 6/30/14
Salaries	\$1,274,852	\$146,238	\$116,122	\$1,537,212	\$1,317,002
Payroll taxes and benefits	215,492	24,720	19,628	259,840	212,630
Professional fees	90,759	36,985	54,623	182,367	130,600
Stipends	10,274			10,274	21,430
Supplies	46,234	7,578	734	54,546	107,850
Telephone and telecommunications	3,536	6,168	149	9,853	10,616
Postage and mailing	224	741	331	1,296	2,356
Occupancy	39,260	4,504	3,576	47,340	42,000
Equipment rental, repairs and maintenance	2,963	17,373		20,336	12,664
Travel	78,703	649	145	79,497	36,925
Development Expenses			16,103	16,103	16,217
Staff and board trainings and meetings	19,340	4,780	97	24,217	24,350
Printing and copying	654	654	3,136	4,444	2,150
Dues, fees and subscriptions		3,523		3,523	3,049
Marketing and recruitment	2,070	815	3,037	5,922	58,252
Insurance	13,961	1,601	1,272	16,834	13,960
Program expenses	108,762			108,762	56,659
Special event expenses			21,376	21,376	41,108
Bank and investment fees		1,016		1,016	1,031
Miscellaneous	33	7,385	3	7,421	3,929
Total expenses before depreciation	<u>1,907,117</u>	<u>264,730</u>	<u>240,332</u>	<u>2,412,179</u>	<u>2,114,778</u>
Depreciation		9,273		9,273	14,724
Total expenses	<u><u>\$1,907,117</u></u>	<u><u>\$274,003</u></u>	<u><u>\$240,332</u></u>	<u><u>\$2,421,452</u></u>	<u><u>\$2,129,502</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

SOUTH ASIAN YOUTH ACTION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(With comparative totals for the year ended June 30, 2014)

	<u>6/30/15</u>	<u>6/30/14</u>
Cash flows from operating activities:		
Change in net assets	\$91,235	\$169,596
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,273	14,724
Unrealized loss on investments	5,202	1,815
Changes in assets and liabilities:		
Pledges receivable	(27,500)	0
Government grants receivable	12,026	83,170
Contract fees receivable	34,186	(22,643)
Prepaid expenses and other assets	(21,263)	58,775
Accounts payable and accrued expenses	53,168	10,987
Deferred revenue	16,500	(45,300)
Contingency liability	<u>0</u>	<u>(40,000)</u>
Net cash flows provided by operating activities	<u>172,827</u>	<u>231,124</u>
Cash flows from investing activities:		
Purchases of fixed assets	(3,034)	(111,007)
Purchases of investments	<u>(114,311)</u>	<u>(13,883)</u>
Net cash flows used for investing activities	<u>(117,345)</u>	<u>(124,890)</u>
Net increase in cash and cash equivalents	55,482	106,234
Cash and cash equivalents - beginning of year	<u>894,187</u>	<u>787,953</u>
Cash and cash equivalents - end of year	<u><u>\$949,669</u></u>	<u><u>\$894,187</u></u>
Supplemental disclosures:		
Interest and taxes paid	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

SOUTH ASIAN YOUTH ACTION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 - Organization

South Asian Youth Action, Inc. (“SAYA”) is an inclusive, South Asian-focused youth development organization established in 1996 to address the needs of K-12 students in New York City through tailored programming that offers academic support, leadership development and enrichment opportunities. As the only secular organization of its kind, SAYA provides an accessible, safe and culturally affirming space for youth to develop a strong sense of identity and fulfill their academic and leadership potential. The SAYA experience offers mentorship beyond the classroom so students confidently grow into engaged community leaders ready for college, career and personal success.

SAYA’s revenue is primarily from public support and contributions.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than when received or paid.

b. Basis of Presentation

SAYA’s net assets are classified based upon the existence or absence of donor-imposed restrictions as follows:

- *Unrestricted* – represent those resources for which there are no restrictions by donors as to their use.
- *Temporarily restricted* – represent those resources, the uses of which have been restricted by donors to specific purposes or the passage of time. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor. When the restrictions are met in the year of donation, the contributions are reported as unrestricted.
- *Permanently restricted* – accounts for activity restricted by donors that must remain intact in perpetuity. SAYA did not have any permanently restricted net assets at June 30, 2015.

c. Cash and Cash Equivalents

SAYA considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents, except for cash maintained in the investment portfolio.

d. Concentration of Credit

Financial instruments which potentially subject SAYA to concentration of credit risk consist of cash and investment accounts which have been placed with financial institutions that management deems to be creditworthy. At year-end and at various points throughout the year, material cash balances were uninsured, however, management feels they have little risk and SAYA has not experienced any losses from the default of any financial institution.

e. Investments

Investments with readily available market prices are carried at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are included in income on the statement of activities. See Note 4 for additional information.

f. Fixed Assets

Furniture, equipment, computers and leasehold improvements are stated at cost or at the fair value on the date of gift, if donated. SAYA capitalizes fixed assets in excess of pre-defined amounts that have a useful life of more than one year. Depreciation is charged using the straight-line method over the estimated useful life of the asset.

g. Contributions

Contributions are recorded as revenue at the earlier of the receipt of cash or when pledges are considered unconditional in nature. Contributions are available for unrestricted use unless specifically restricted by the donor, in which case they are recorded in one of the restricted classes of net assets, depending on the nature of the restriction.

Contributions expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value using a risk adjusted discount rate. Conditional contributions are recognized as income when the conditions have been substantially met.

h. Government Grants

The terms of each government grant are reviewed to determine if they contain traits more closely associated with contributions or exchange transactions. Management has determined that all existing government grants are exchange transactions because they contain traits more similar to contracts for service. The difference between revenue recognized and cash received is reflected as government grants receivable or refundable advances.

i. Other Contract Services

Program revenue is recognized as income when earned. The difference between revenue recognized and cash received is reflected as contract fees receivable.

j. Donated Services

Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind.

SAYA pays for most other services requiring specific expertise. Board members and other individuals volunteer their time and support its mission and accomplish its programmatic goals. These services do not meet the criteria for recognition as outlined above and have not been recorded in the financial statements.

k. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of SAYA.

l. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

m. Income Tax Status

SAYA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined in Section 509(a).

n. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with SAYA's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

o. Accounting for Uncertainty in Income Taxes

SAYA does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2012 and later are subject to examination by applicable taxing authorities.

p. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through December 2, 2015, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements.

Note 3 - Temporarily Restricted Net Assets

The following summarizes the changes in temporarily restricted net assets:

	<u>June 30, 2015</u>			
	Balance <u>7/1/14</u>	<u>Contributions</u>	Released From <u>Restrictions</u>	Balance <u>6/30/15</u>
Program restrictions:				
Capacity Building	\$86,627	\$0	(\$86,627)	\$0
Leadership	85,000	0	(85,000)	0
College & Career Readiness	78,911	0	(78,911)	0
National CAPACD	0	35,000	(7,500)	27,500
Scholarship	<u>0</u>	<u>110,000</u>	<u>(14,250)</u>	<u>95,750</u>
Total	<u>\$250,538</u>	<u>\$145,000</u>	<u>(\$272,288)</u>	<u>\$123,250</u>
	<u>June 30, 2014</u>			
	Balance <u>7/1/13</u>	<u>Contributions</u>	Released From <u>Restrictions</u>	Balance <u>6/30/14</u>
Program restrictions:				
Academic and College Preparation	\$65,000	\$0	(\$65,000)	\$0
Capacity Building	20,000	100,000	(\$33,373)	86,627
Desi Girl's program	15,000	0	(15,000)	0
Desi Men's program	107,500	0	(107,500)	0
SAGE program	21,712	0	(21,712)	0
Leadership	0	85,000	(0)	85,000
College & Career Readiness	<u>0</u>	<u>115,000</u>	<u>(36,089)</u>	<u>78,911</u>
Total	<u>\$229,212</u>	<u>\$300,000</u>	<u>(\$278,674)</u>	<u>\$250,538</u>

Note 4 - Investments

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that SAYA has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

All investments are considered to be level 1 securities and consist of the following:

	<u>6/30/15</u>	<u>6/30/14</u>
Money funds	\$4,969	\$939
U.S. government obligations	100,763	49,337
Corporate bonds	<u>112,569</u>	<u>58,916</u>
Total	<u>\$218,301</u>	<u>\$109,192</u>

Level 1 securities are valued at the closing price reported on the active market they are traded on.

Investment income consists of:

	<u>6/30/15</u>	<u>6/30/14</u>
Interest and dividends	\$4,800	\$1,260
Unrealized losses	<u>(5,202)</u>	<u>(1,815)</u>
Total	<u>(\$402)</u>	<u>(\$555)</u>

Note 5 - Fixed Assets

Fixed assets consist of the following:

	<u>6/30/15</u>	<u>6/30/14</u>
Computers and equipment (3 years)	\$37,218	\$34,184
Website development (3 years)	11,800	11,800
Furniture and fixtures (5 years)	17,424	17,424
Leasehold improvements (3 years)	<u>6,800</u>	<u>6,800</u>
	73,242	70,208
Less: accumulated depreciation	<u>(62,103)</u>	<u>(52,830)</u>
Total fixed assets - net	<u>\$11,139</u>	<u>\$17,378</u>

Note 6 - Fundraising Event

	<u>6/30/15</u>	<u>6/30/14</u>
Gross revenue	\$1,093,775	\$1,092,281
Less: donor direct benefits	<u>(154,680)</u>	<u>(187,665)</u>
Net revenue	939,095	904,616
Less: other expenses	<u>(21,376)</u>	<u>(41,108)</u>
Total revenue	<u>\$917,719</u>	<u>\$863,508</u>

Note 7 - Commitments and Contingencies

Government Grants

Government contracts are subject to audit by the grantor. Management does not believe that any audits, if they were to occur, would result in material disallowed costs, and has not established any reserves for this. Any disallowed costs would be recorded in the period notified.

Lease Commitments

SAYA has a non-cancellable lease agreement for office space, which expires on June 30, 2018. Future minimum lease payments are as follows:

Year-ending:	June 30, 2016	\$49,800
	June 30, 2017	52,380
	June 30, 2018	<u>55,080</u>
		<u>\$157,260</u>