

**WINNING FUTURES
FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT
FOR THE PERIOD ENDED
DECEMBER 31, 2010**



Wenderski & Associates, CPA P.C.



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Winning Futures
Warren, Michigan

We have audited the accompanying statement of financial position of Winning Futures (a non-profit company) as of December 31, 2010 and the related statements of activities and net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Winning Futures as of December 31, 2010, and its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Wenderski & Associates, CPA P.C.

August 29, 2011

**WINNING FUTURES
BALANCE SHEET
December 31, 2010**

ASSETS

CURRENT ASSETS

Cash - Unrestricted	\$ 135,203
Cash - Restricted	91,392
Marketable Equity Securities - Restricted	126,041
Inventory	<u>2,331</u>

Total Current Assets 354,967

PROPERTY AND EQUIPMENT

Furniture, Fixtures & Equipment	11,962
Workbook & Handbook Design	7,590
Vehicles	19,313
Less: Accumulated Depreciation	<u>(15,183)</u>

Net Property and Equipment 23,682

TOTAL ASSETS \$ 378,648

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

Accounts Payable	<u>\$ 1,471</u>
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Total Current Liabilities 1,471

FUND BALANCE

Temporarily Restricted	217,433
Unrestricted	<u>159,743</u>

Total Fund Balance 377,177

**TOTAL LIABILITIES AND
FUND BALANCE** \$ 378,648

SEE AUDITOR'S REPORT.
SEE ACCOMPANYING FOOTNOTES.



WINNING FUTURES
STATEMENT OF ACTIVITIES AND CHANGES IN NET
For the Year Ended December 31, 2010

UNRESTRICTED REVENUES & OTHER SUPPORT:

Revenue:	
Contributions	\$ 95,149
Grants	50,377
Donated Goods & Services	237,975
Program Service Fees - net of costs	40,070
Special Events	151,014
Interest	273
Total Unrestricted Revenues	<u>574,858</u>
Net Assets Released From Restrictions	51,230
Total Unrestricted Revenue & Other Support	<u>626,088</u>

Expenses:	
Salaries	182,699
Employee Benefits	5,479
Payroll Taxes	18,469
Event Costs	57,878
Professional Fees	8,712
Temporary Help - Contract	3,555
Donated Goods & Services	175,790
Donated Facilities	36,000
Travel & Meeting Expenses	3,222
Depreciation & Amortization Expense	7,797
Insurance - Non Employee	2,214
Grant contract costs	9,740
Supplies	40,309
Donated Materials	26,199
Telephone & Telecommunications	1,437
Postage & Printing	13,632
Scholarships	15,325
Advertising	3,176
Total Expenses	<u>611,633</u>
Increase (Decrease) in Unrestricted Net Assets	14,455

TEMPORARILY RESTRICTED NET ASSETS:

Contributions	88,425
Net assets released from restrictions	(51,230)
Interest & Dividend Income	2,369
Unrealized Gain on Investments	9,713
Increase (Decrease) in Temporarily Restricted Net Assets	<u>49,277</u>
Increase (Decrease) in Net Assets	<u>\$ 63,732</u>

SEE AUDITOR'S REPORT.
SEE ACCOMPANYING FOOTNOTES.



MENTORING SOLUTIONS
STATEMENT OF CASH FLOWS
For the Year ended December 31, 2010

Cash Flows from Operating Activities:	
Contributions	\$ 179,804
Grants	54,147
Program service fees	40,070
Interest and dividend income	2,642
Special events	151,014
Cash paid to employees	(188,178)
Cash paid for supplies & expenses	<u>(180,349)</u>
Net cash provided by operating activities	59,150
Cash Flows from Investing Activities:	
Purchase of fixed assets	(1,357)
Purchase of marketable equity securities	<u>(3,061)</u>
Net Decrease used for investing activities	<u>(4,418)</u>
Net Increase in cash	54,732
Cash:	
Balance - beginning of year	<u>171,863</u>
Balance - end of year	<u>\$ 226,595</u>
Reconciliation of change in net assets to Cash provided by Operations:	
Increase in Net Assets	\$ 63,732
Adjustments to Reconcile Increase in Net Assets to net cash provided by operating activities:	
Depreciation	7,797
Decrease in Accounts Receivable	682
Increase in unrealized gain on investments	(8,945)
Increase in Inventory	(2,161)
Decrease in Accounts Payable	<u>(1,955)</u>
Net cash used by operating activities	<u>\$ 59,150</u>

SEE AUDITOR'S REPORT
SEE ACCOMPANYING FOOTNOTES



**WINNING FUTURES
STATEMENT OF FUNCTIONAL EXPENSES
For the Year ended December 31, 2010**

	<u>Program Services</u>				<u>Total Programs</u>	<u>Supporting Services</u>		<u>Totals</u>
	<u>Mentoring</u>	<u>Consulting / Training</u>	<u>MDMC</u>	<u>RARE</u>		<u>Fund Raising</u>	<u>General Management</u>	
Expenses								
Salaries	\$ 127,538	\$ 13,687	\$ 1,875	\$ 10,305	\$ 153,405	\$ 15,109	\$ 14,185	\$ 182,699
Employee Benefits	5,479	0	0	0	5,479	0	0	5,479
Payroll Taxes	13,200	1,232	169	933	15,534	1,493	1,442	18,469
Event Costs	0	0	0	0	0	57,878	0	57,878
Accounting Fees	0	0	0	0	0	0	2,690	2,690
Professional Fees	0	0	0	0	0	4,965	1,057	6,022
Temporary Help - Contract	3,255	0	0	200	3,455	0	100	3,555
Donated Goods & Services	155,447	6,185	0	0	161,632	0	14,158	175,790
Donated Facilities	36,000	0	0	0	36,000	0	0	36,000
Travel & Meeting Expenses	1,646	913	92	107	2,758	178	286	3,222
Depreciation & Amortization Expense	3,863	1,518	0	0	5,381	0	2,416	7,797
Insurance - Non Employee	1,411	0	0	0	1,411	0	803	2,214
Scholarships	0	0	325	15,000	15,325	0	0	15,325
Grant costs	5,015	0	560	4,165	9,740	0	0	9,740
Supplies	28,985	1,464	3,600	4,904	38,953	50	1,306	40,309
Donated Materials	10,650	0	0	66	10,716	15,483	0	26,199
Telephone & Telecommunications	1,437	0	0	0	1,437	0	0	1,437
Postage / Shipping / Delivery	1,930	2,750	0	591	5,271	776	119	6,166
Printing & Copying	1,786	5,297	35	175	7,293	173	0	7,466
Advertising	550	2,491	43	69	3,153	23	0	3,176
Total Functional Expenses	<u>\$ 398,192</u>	<u>\$ 35,537</u>	<u>\$ 6,699</u>	<u>\$ 36,515</u>	<u>\$ 476,943</u>	<u>\$ 96,128</u>	<u>\$ 38,562</u>	<u>\$ 611,633</u>

SEE AUDITOR'S REPORT.
SEE ACCOMPANYING FOOTNOTES.

**WINNING FUTURES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

PRIMARY EXEMPT PURPOSE

To empower youth to succeed through mentoring, training, and collaborative efforts.

NATURE OF ORGANIZATION

Mentoring program – Operates a full-service mentoring programs in four schools.

Metro Detroit Mentor Collaboration – Leader and administrator of a collaboration of non-profit mentoring programs in Detroit. The Organization also provides consulting and training services to organizations providing mentoring services.

RARE – Provides limited college scholarships to essay winning contestants.

MARKETABLE EQUITY SECURITIES

The Organization values marketable equity securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income is treated as an increase in unrestricted net assets, unless it is specifically restricted. Debt securities are valued at cost under the principle of "held-to-maturity."

INVENTORY

Inventory is valued at cost.

PROPERTY & EQUIPMENT

Purchased furniture and equipment are carried at cost. Donated furniture and equipment are carried at the approximate fair value at the date of donation.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization are computed using the straight-line method over the estimated useful life of the asset. Useful lives are as follows:

Furniture and Fixtures	5-7 years
Workbook & Handbook Design	3 years
Automotive equipment	5 years

REVENUE & SUPPORT

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets, if the restriction is met in the reporting period in which the support is recognized. 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. The board of directors may designate unrestricted donations as restricted.

INCOME TAXES

The Organization is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code.

CASH

For purposes of reporting cash flows, cash is cash in bank.



**WINNING FUTURES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

NOTE 2 – USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

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 the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 – NET ASSETS

The Organization has \$210,696 of temporarily restricted net assets available for the mentoring and collaboration programs.

NOTE 4 – IN-KIND SUPPORT & VOLUNTEERED SERVICES

The value of in-kind support and volunteered services included in contributions in the financial statements and the corresponding program expenses for the years ended December 31, 2010 are as follows:

Donated facilities	\$ 36,000
Volunteer mentors	165,637
Volunteer professionals	10,140
Office supplies	<u>26,198</u>
TOTAL	<u>\$ 237,975</u>

NOTE 5 – ECONOMIC DEPENDENCY – MAJOR CONTRIBUTOR

The Organization received approximately 26% of its cash contributions from an individual.

