

Everybody Wins!
Metro Boston

Financial Statements

June 30, 2009

With Independent Auditors' Report

EVERYBODY WINS! METRO BOSTON

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To The Board of Directors
Everybody Wins! Metro Boston
Boston, Massachusetts

Independent Auditors' Report

We have audited the accompanying statement of financial position of Everybody Wins! Metro Boston (a nonprofit organization) as of June 30, 2009, and the related statements of activities 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 that 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 Everybody Wins! Metro Boston as of June 30, 2009 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



November 30, 2009

**EVERYBODY WINS! METRO BOSTON
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009**

ASSETS

CURRENT ASSETS	
Cash	\$ 180,140
Accounts Receivable	49
Pledges Receivable	791
Prepaid Expense	3,934
Total Current Assets	<u>184,914</u>
 PROPERTY AND EQUIPMENT, Net	 4,139
 Total Assets	 \$ <u><u>189,053</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts Payable	\$ 1,385
Accrued Expenses	13,066
Total Liabilities	<u>14,451</u>
 NET ASSETS	
Unrestricted	140,602
Temporarily Restricted	34,000
Total Net Assets	<u>174,602</u>
Total Liabilities and Net Assets	\$ <u><u>189,053</u></u>

See Accompanying Notes.

**EVERYBODY WINS! METRO BOSTON
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009**

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES AND OTHER SUPPORT			
Public Support	\$ 198,864	\$ 34,000	\$ 232,864
Contributed Facilities	14,400	0	14,400
In-kind Services	41,648	0	41,648
	254,912	34,000	288,912
Special Events:			
Revenues	85,453	0	85,453
Expenses	27,543	0	27,543
Net Special Events	57,910	0	57,910
Total Revenues and Other Support	312,822	34,000	346,822
EXPENSES			
Payroll	210,407	0	210,407
Payroll Taxes	20,337	0	20,337
Employee Benefits	15,715	0	15,715
Professional Fees	13,550	0	13,550
In-kind Services	41,648	0	41,648
AmeriCorps Stipend	7,333	0	7,333
Supplies	5,563	0	5,563
Rent	14,400	0	14,400
Travel	4,434	0	4,434
Insurance	1,990	0	1,990
Miscellaneous	11,842	0	11,842
Total Expenses	347,219	0	347,219
INCOME (LOSS) FROM OPERATIONS	(34,397)	34,000	(397)
OTHER INCOME	2,822	0	2,822
CHANGE IN NET ASSETS	(31,575)	34,000	2,425
NET ASSETS - BEGINNING OF THE PERIOD	172,177	0	172,177
NET ASSETS - END OF THE PERIOD	\$ 140,602	\$ 34,000	\$ 174,602

See Accompanying Notes.

**EVERYBODY WINS! METRO BOSTON
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 2,425
Items Which Do Not Affect Cash	
Depreciation	1,780
(Increase) Decrease in Operating Assets:	
Accounts Receivable	446
Pledges Receivable	(208)
Prepaid Expense	(44)
Increase in Operating Liabilities:	
Accounts Payable	1,317
Accrued Expenses	1,558
Net Cash Provided From Operating Activities	<u>7,274</u>
 INCREASE IN CASH	 7,274
 CASH - BEGINNING OF THE PERIOD	 <u>172,866</u>
 CASH - END OF THE PERIOD	 <u>\$ 180,140</u>

See Accompanying Notes.

**EVERYBODY WINS! METRO BOSTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 1 - NATURE OF BUSINESS

Everybody Wins! Metro Boston (the Organization) is a nonprofit corporation located in Boston, Massachusetts. The Organization is a literacy and mentoring organization serving the communities of Greater Boston. The Organization is dedicated to increasing children's prospects for success in school and in life through one-to-one reading experiences with caring adults.

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

CASH AND CASH EQUIVALENTS

The Organization considers all highly liquid debt instruments including certificates of deposit to be cash equivalents.

PROPERTY, EQUIPMENT AND DEPRECIATION

Property and equipment are recorded at cost. Depreciation is calculated using the straight-line method over the expected useful lives of the assets.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the asset is placed in service at which time the Organization reclassifies temporarily restricted net assets to unrestricted net assets.

TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose. Permanently restricted net assets would be those restricted by donors to be maintained by the Organization in perpetuity. Temporarily restricted net assets totaled \$34,000 at June 30, 2009. There were no permanently restricted net assets at June 30, 2009.

CONTRIBUTED SERVICES

Contributed services meeting the requirements for recognition in the financial statements are recorded at fair market value.

CONTRIBUTIONS

Unconditional promises to give are recognized as revenues in the period the promise is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

RECOGNITION OF REVENUES AND EXPENSES

Revenues and expenses are recognized by the accrual method of accounting.

**EVERYBODY WINS! METRO BOSTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECOGNITION OF DONOR RESTRICTIONS

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

INCOME TAXES

No provision for federal and state income taxes has been reflected in the accompanying financial statements since Everybody Wins! Metro Boston qualifies as a tax-exempt organization as provided under Internal Revenue Code Section 501(c)(3).

CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at various federally insured financial institutions. The Organization's credit risk with respect to such balances is all amounts on deposit in excess of federally insured limits.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 30, 2009, the date the financial statements are available to be issued.

NOTE 3 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment - at cost less accumulated depreciation at June 30, 2009:

Computer Equipment	\$	7,897
Less: Accumulated Depreciation		(3,758)
		\$ 4,139

Depreciation expense charged to operations was \$1,780 for the year ended June 30, 2009.

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2009 are available for fiscal year 2010 operating expenses.

NOTE 5 – FUNCTIONAL EXPENSES

The functional expenses are as follows for the year ended June 30, 2009:

Program Expenses	\$	230,410
Fundraising Expenses		58,071
Administrative and General Expenses		58,738
		\$ 347,219

**EVERYBODY WINS! METRO BOSTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 6 – CONTRIBUTED FACILITIES

The Organization receives donated building space. The value of this donation is recorded as revenue and expense in the accompanying statement of activities. The following is a summary for the year ended June 30, 2009:

Donated Occupancy Costs	
Building Space	<u>\$ 14,400</u>

NOTE 7 - CONTRIBUTED SERVICES

During 2009, the Organization used the services of Everybody Wins! USA, a national literacy and mentoring organization of which the Organization is a regional affiliate and related party. These services were for volunteer management and customer service functions. The total value of these services was approximately \$49,000. The Organization incurred expenses of approximately \$7,000 for the services, resulting in approximately \$42,000 recognized as revenue and expense for the year ended June 30, 2009.