

**FINANCIAL STATEMENTS
MENTOR2YOUTH, INC.
DECEMBER 31, 2014**



Certified Public Accountants

MENTOR2YOUTH, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Table of Contents

	<u>Page</u>
Independent Accountants' Review Report	2
Statement of Financial Position - Cash Basis	3
Statement of Activities - Cash Basis	4
Statement of Functional Expenses - Cash Basis	5
Statement of Cash Flows - Cash Basis	6
Notes to Financial Statements	7-9



Independent Accountants' Review Report

To the Board of Directors of
Mentor2Youth, Inc.
Ypsilanti, MI

We have reviewed the statement of financial position - cash basis of Mentor2Youth, Inc. (a nonprofit organization), as of December 31, 2014, and the related statement of activities - cash basis, functional expenses - cash basis, and cash flows - cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 as a whole. Accordingly, we do not express such an opinion.

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.

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 the cash basis of accounting.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Schultz & Associates, PLC
Certified Public Accountants

Plymouth, Michigan
September 25, 2015

A large, stylized handwritten signature in black ink, likely belonging to a representative of Schultz & Associates, PLC.

Certified Public Accountants

MENTOR2YOUTH, INC.
STATEMENT OF FINANCIAL POSITION - CASH BASIS
DECEMBER 31, 2014

ASSETS

Current Assets

Cash and cash equivalents \$ 3,926

Total Assets \$ 3,926

LIABILITIES AND NET ASSETS

Net Assets

Unrestricted \$ 3,926

Total Net Assets \$ 3,926

Total Liabilities and Net Assets \$ 3,926

See Accompanying Notes and Independent Accountants' Review Report

MENTOR2YOUTH, INC.
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Revenue and Support

		<u>Unrestricted</u>
Donations	\$ 13,185	
Events and fundraisers	5,166	
Grants and foundations	2,000	
Interest	<u>2</u>	
Total Revenue and Support		\$ 20,353

Expenses

Program costs	9,380	
Administrative	13,980	
Fundraising	<u>2,521</u>	
Total Expenses		<u>25,881</u>
Change in Net Assets		(5,528)
Net Assets, Beginning of Year		<u>9,454</u>
Net Assets, End of Year		<u><u>\$ 3,926</u></u>

See Accompanying Notes and Independent Accountants' Review Report

MENTOR2YOUTH, INC.
STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Costs	Administrative	Fundraising	Total
Advertising	\$ 407	\$ 255	\$ 356	\$ 1,018
Bank fees	-0-	216	-0-	216
Contract labor	-0-	4,803	-0-	4,803
Event expenses	3,482	-0-	-0-	3,482
Field trips	2,522	-0-	-0-	2,522
Fundraising expenses	-0-	-0-	1,808	1,808
Gifts	150	-0-	-0-	150
Incorporation fees	-0-	25	-0-	25
Insurance	-0-	1,229	-0-	1,229
Meals and entertainment	187	279	155	621
Postage	92	-0-	202	294
Program supplies	2,540	-0-	-0-	2,540
Rent	-0-	1,683	-0-	1,683
Supplies	-0-	4,391	-0-	4,391
Transportation	-0-	703	-0-	703
Workshops and seminars	-0-	396	-0-	396
Total Functional Expenses	<u>\$ 9,380</u>	<u>\$ 13,980</u>	<u>\$ 2,521</u>	<u>\$ 25,881</u>

See Accompanying Notes and Independent Accountants' Review Report

MENTOR2YOUTH, INC.
STATEMENT OF CASH FLOWS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Cash Flows From Operating Activities	
Change in Net Assets	\$ <u>(5,528)</u>
Net Cash Used by Operating Activities	(5,528)
Cash Flows From Investing Activities	
Net Cash Used by Investing Activities	-0-
Cash Flows From Financing Activities	
Repayment of loan from director	<u>(2,327)</u>
Net Cash Used by Financing Activities	<u>(2,327)</u>
Net Decrease in Cash	(7,855)
Cash, Beginning	<u>11,781</u>
Cash, Ending	<u><u>\$ 3,926</u></u>
 Supplementary Disclosures:	
Cash paid for interest	<u><u>\$ -0-</u></u>
Cash paid for income tax	<u><u>\$ -0-</u></u>

See Accompanying Notes and Independent Accountants' Review Report

MENTOR2YOUTH, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Mentor2Youth, Inc. (the “Association”) is a not-for-profit organization founded in 2011. The Association has served more than 350 disadvantaged youth in Washtenaw County by providing free personal and academic intervention programs to at-risk youth between the ages of 8 and 18. The Associations’ goal is to provide opportunities and programs that assist at risk youth to grow personally, academically and professionally.

Basis of Accounting

The Association utilizes the cash basis of accounting. Consequently, income from contributions and earnings on investments are recorded when received rather than when earned, and expenses are recorded when paid rather than when incurred.

Financial Statement Presentation

The Association follows the guidance of the Financial Accounting Standards Board Accounting Standards Codification (ASC) Section 958-205. Under ASC Section 958-205, the Association is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted Net Assets – net assets that are not subject to “donor-imposed” time or purpose restrictions.

Temporarily Restricted Net Assets – net assets subject to “donor-imposed” restrictions that may or will be met by actions of the Association and/or the passage of time. Restrictions that expire with the passage of time or can be removed by accomplishing certain requirements are classified as temporarily restricted net assets. As of December 31, 2014, Mentor2Youth, Inc. had no temporarily restricted net assets.

Permanently Restricted Net Assets – net assets subject to “donor-imposed” restrictions that may be maintained in perpetuity. Restrictions that require an asset be invested and only allow the income to be used are classified as permanently restricted net assets. As of December 31, 2014, Mentor2Youth, Inc. had no permanently restricted net assets.

Earnings, gains and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

See Accompanying Independent Accountants’ Review Report

MENTOR2YOUTH, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Association considers checking, savings and certificate investments with a maturity of six months or less to be cash equivalents whose carrying amount is a reasonable estimate of fair value.

Use of Estimates

The preparation of financial statements 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 the reported amounts of revenue and expenses during the reporting period.

Functional Expenses

The Association allocates common expenses to production and administrative costs based on time analysis by management and usage of space.

Donated Materials and Services

The Association records the value of donated goods or services when there is an objective basis available to measure fair value. Donated materials and equipment are reflected as contributions at their estimated values at the date of receipt. No amounts have been reflected in the statements for donated services, as no objective basis is available to measure the value of such services.

Advertising Costs

Advertising and promotion costs are expensed as incurred. Advertising expenses for the year ended December 31, 2014 were \$1,018.

Date of Management's Review

Management has evaluated subsequent events through September 25, 2015, the date on which the financial statements were available to be issued.

See Accompanying Independent Accountants' Review Report

MENTOR2YOUTH, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Leases

The Association leases its office space from Beal Properties under an operating lease that requires monthly payments of \$300 and one annual payment of \$180 on October 1st. The lease expires on September 30, 2015. Rent expense under this agreement was \$1,683 for the year ended December 31, 2014.

Minimum future lease payments as of December 31, 2014 are as follows:

2015	\$ 2,700
Total	<u>\$ 2,700</u>

NOTE 2 – TAX STATUS

The Association operates as a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes.

ASC guidance regarding accounting for uncertainty of income taxes clarifies the accounting for income taxes by prescribing the minimum recognition threshold income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions. Each income tax position is assessed using a two step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based on technical merits, upon examination by the tax authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its settlement. At December 31, 2014, there were no uncertain tax positions that required accrual.

The Association is not currently under examination by the Internal Revenue Service or state authorities, however, fiscal years 2012 and later remain subject to examination.

NOTE 3 - LOANS FROM DIRECTORS

During the previous year the Director of Mentor2Youth, Inc made loans to the organization by the payment of corporate expenses from his personal funds. The Association made payments totaling \$2,327 in the current year. As of December 31, 2014, the loan has been paid in full.

See Accompanying Independent Accountants' Review Report

