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THE GO PROJECT, INC.
Audited Financial Statements
June 30, 2011

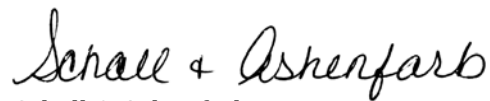
INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The GO Project, Inc.

We have audited the accompanying statement of financial position of The GO Project, Inc. ("GO Project") as of June 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of GO Project'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 misstatements. 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, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of The GO Project, Inc. as of June 30, 2011, 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.



Schall & Ashenfarb
Certified Public Accountants, LLC

September 15, 2011

THE GO PROJECT, INC.
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2011

Assets

Cash and cash equivalents (Notes 2d and 2e)	\$876,848
Unconditional promises to give (Notes 2f and 3)	147,150
Prepaid expenses and other assets	42,994
Property and equipment, net (Notes 2g and 5)	<u>1,852</u>
 Total assets	 <u><u>\$1,068,844</u></u>

Liabilities and Net Assets

Liabilities:	
Accounts payable and accrued expenses	<u>\$24,151</u>
Total liabilities	<u>24,151</u>
 Net assets: (Note 2b)	
Unrestricted	728,206
Temporarily restricted (Note 4)	<u>316,487</u>
Total net assets	<u>1,044,693</u>
 Total liabilities and net assets	 <u><u>\$1,068,844</u></u>

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

THE GO PROJECT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support:			
Contributions	\$640,482	\$584,300	\$1,224,782
Special events, net of direct expenses	410,963		410,963
In-kind contributions (Note 6)	149,000		149,000
Program income	11,081		11,081
Miscellaneous income	11,837		11,837
Interest income	77		77
Net assets released from restrictions	267,813	(267,813)	0
Total public support	<u>1,491,253</u>	<u>316,487</u>	<u>1,807,740</u>
Expenses:			
Program services	1,158,782		1,158,782
Supporting services:			
Management and general	197,926		197,926
Fundraising	213,077		213,077
Total supporting services	<u>411,003</u>	<u>0</u>	<u>411,003</u>
Total expenses	<u>1,569,785</u>	<u>0</u>	<u>1,569,785</u>
Change in net assets	(78,532)	316,487	237,955
Net assets - beginning of year	<u>806,738</u>		<u>806,738</u>
Net assets - end of year	<u><u>\$728,206</u></u>	<u><u>\$316,487</u></u>	<u><u>\$1,044,693</u></u>

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

THE GO PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011

	Supporting Services				Total Expenses
	Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$771,227	\$67,393	\$132,074	\$199,467	\$970,694
Payroll taxes and benefits	107,841	9,423	18,468	27,891	135,732
Program expenses	100,737	59	112	171	100,908
Professional fees and consultants	6,565	79,779	8,000	87,779	94,344
Office expenses	5,183	18,197	744	18,941	24,124
In-kind occupancy (Note 6)	118,382	10,345	20,273	30,618	149,000
Equipment and service contracts	10,212	11,539	1,954	13,493	23,705
Insurance	22,970	105		105	23,075
Staff development	15,665	716	233	949	16,614
Event expenses			31,219	31,219	31,219
Depreciation		370		370	370
Total expenses	\$1,158,782	\$197,926	\$213,077	\$411,003	\$1,569,785

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

THE GO PROJECT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

Cash flows from operating activities:	
Change in net assets	\$237,955
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	370
(Increase)/decrease in assets:	
Unconditional promises to give	(134,582)
Prepaid expenses and other assets	19,988
Increase/(decrease) in liabilities:	
Accounts payable and accrued expenses	<u>18,435</u>
Net cash flows provided by operating activities	<u>142,166</u>
Cash flows from investing activities:	
Purchases of fixed assets	<u>(2,222)</u>
Net cash flows used for investing activities	<u>(2,222)</u>
Net increase in cash and cash equivalents	139,944
Cash and cash equivalents - beginning of year	<u>736,904</u>
Cash and cash equivalents - end of year	<u><u>\$876,848</u></u>
Supplemental disclosures:	
Interest and taxes paid	<u><u>\$0</u></u>

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

THE GO PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1. Organization

The GO Project, Inc. ("GO Project") shapes the futures of low-income New York City public school children by providing critical academic, social and emotional support starting in the early elementary years. GO Project provides year-round educational and family support services to children who are performing below grade level and equips them with the confidence and skills needed to succeed at school, at home and in life.

GO Project is a not-for-profit organization 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).

Note 2. Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

b. Basis of Presentation

GO Project reports information regarding their financial position and activities according to the following classes of net assets:

- *Unrestricted* – represents all activity without donor imposed restrictions.
- *Temporarily restricted* – relates to contributions of cash and other assets with donor stipulations that make clear the assets restriction, either due to a program nature or by passage of time.
- *Permanently restricted* – relates to contributions of cash and other assets whereby the assets must remain intact due to restrictions placed by the donor. There was no activity in the permanently restricted class of net assets during the year ending June 30, 2011.

c. Contributions

Contributions are recorded as unrestricted or temporarily restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires within the same reporting period in which it was recognized.

d. Cash and Cash Equivalents

For purposes of financial reporting, cash and cash equivalents consist of cash and money market accounts held in various financial institutions.

e. Concentration of Credit Risk

Financial instruments which potentially subject GO Project to concentration of credit risk consist of cash and money market accounts.

GO Project places its temporary cash and money market accounts with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. At year end, a significant portion of the funds is not insured by the FDIC or related entity; however, GO Project has not experienced any losses from these accounts.

f. Unconditional Promises to Give

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

g. Property and Equipment

Property and equipment that GO Project retains title to and which benefit future periods are capitalized at cost. Depreciated has been computed using the straight line method over the estimated useful life of the assets.

h. Donated Services

Donated services are recognized in circumstances where those services either 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.

Board members and other individuals volunteer their time and perform a variety of tasks that assist GO Project. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

i. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. 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 GO Project.

j. Management Estimates

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

k. Accounting for Uncertainty of Income Taxes

GO Project has adopted the provisions of FASB ASC 740, *Income Taxes*, which applies to positions taken or expected to be taken in a tax return. Organizations are required to recognize the effects of tax positions if they are more likely than not of being sustained. GO Project does not believe its financial statements include any uncertain tax positions.

l. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through September 15, 2011, 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 - Unconditional Promises to Give

At June 30, 2011, GO Project had unconditional promises to give of \$147,150, which are due in the following periods:

Year ended: June 30, 2012	\$97,150
June 30, 2013	<u>50,000</u>
 Total	 <u>\$147,150</u>

Due to its immaterial nature, no discount to present value has been taken. Management has evaluated all receivables and feels that no allowance for uncollectable amounts is needed; therefore, no reserve has been established.

Note 4 - Temporarily Restricted Net Assets

The following summarizes the changes in temporarily restricted net assets:

	Balance 6/30/10	Contributions	Released From Restrictions	Balance 6/30/11
Program restrictions:				
After-School Program	\$0	\$400,000	(\$266,667)	\$133,333
Middle School Coordinator	0	57,000	(1,146)	55,854
Basic Human Needs Grant	0	11,300	0	11,300
Emergency Assistance	<u>0</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total program restrictions	0	469,300	(267,813)	201,487
Time restricted	<u>0</u>	<u>115,000</u>	<u>0</u>	<u>115,000</u>
Total	<u>\$0</u>	<u>\$584,300</u>	<u>(\$267,813)</u>	<u>\$316,487</u>

Note 5 - Fixed Assets

As of June 30, 2011, fixed assets consist of the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Estimated Useful Life</u>
Computers and equipment	<u>\$2,222</u>	<u>\$370</u>	<u>\$1,852</u>	3 years

Note 6 - In-Kind Contributions

GO Project received in-kind office space valued at \$149,000 during the year ending June 30, 2011. This amount has been allocated to program and supporting expenses.

Note 7 - Retirement Plan

GO Project offers all employees the option of participating in a 403(b) retirement plan whereby the employee can contribute pre-tax dollars up to statutory limits. Following one year of employment, GO Project will match the employee's contribution, up to a maximum of 4% of the employee's salary. Pension expense for the year ended June 30, 2011 was \$7,000.