
REAL LIFE 101
SCHOLARSHIP FUND
(A Michigan Non-Profit Organization)

Financial Report
For The Years Ended
December 31, 2010 and 2009



certified public accountants

1301 WEST LONG LAKE ROAD, SUITE 200, TROY MI 48098

PH: 248-952-0200 • FAX: 248-952-0290

REAL LIFE 101 SCHOLARSHIP FUND
Warren, Michigan

I N D E X

	<u>Page</u>
Independent Auditors' Report	1
Statements of Assets, Liabilities, and Net Assets – Cash Basis	2
Statements of Revenues, Expenses, and Other Changes in Net Assets – Cash Basis	3
Statements of Functional Expenses – Cash Basis	4 - 5
Notes to the Financial Statements	6 - 7



1301 W. Long Lake Rd., Ste. 200
Troy, MI 48098-6319
t 248.952.0200 · f 248.952.0290

The Board of Directors
Real Life 101 Scholarship Fund

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of assets, liabilities, and net assets – cash basis of Real Life 101 Scholarship Fund (formerly ICLL Industrial Park Association) as of December 31, 2010 and 2009, and the related statements of revenues, expenses, and other changes in net assets – cash basis for the years 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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.

As described in Note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Real Life 101 Scholarship Fund as of December 31, 2010 and 2009, and its revenues, expenses, and other changes in net assets for the years then ended, on the basis of accounting described in Note 1.

Gordon Advisors, P.C.

August 6, 2011

REAL LIFE 101 SCHOLARSHIP FUND
Statements of Assets, Liabilities and Net Assets - Cash Basis

	December 31,	
	2010	2009
<u>ASSETS</u>		
Assets		
Cash - Checking	\$ 36,461	\$ 16,621
Cash - Money market account	121,061	50,973
Total Assets	\$ 157,522	\$ 67,594
<u>LIABILITIES AND NET ASSETS</u>		
Net Assets		
Temporarily Restricted	40,000	0
Unrestricted	\$ 117,522	\$ 67,594
Total Liabilities and Net Assets	\$ 157,522	\$ 67,594

REAL LIFE 101 SCHOLARSHIP FUND
Statements of Revenues, Expenses and Other Changes in Net Assets - Cash Basis

	Year Ended December 31,	
	2010	2009
Changes In Unrestricted Net Assets		
Unrestricted Public Support and Revenue		
Direct public support -		
Foundation and trust grants	\$ 42,000	\$ 1,500
Corporate contributions	112,706	95,725
Donated laptop computers	25,000	12,500
Individual contributions	21,445	3,325
Special event income - Golf outing	56,240	34,135
Special event income - Raffle sales	2,905	1,920
Special event income - Zoo walk	13,773	0
Interest income	88	1,022
Total Unrestricted Public Support and Revenue	274,157	150,127
Net Assets Released From Restrictions	10,000	0
Total Unrestricted Public Support and Revenue and Releases	284,157	150,127
Expenses		
Awards and grants	137,693	117,639
Management and general	38,149	19,911
Fundraising	58,387	43,835
Total Expenses	234,229	181,385
Increase (Decrease) In Unrestricted Net Assets	49,928	(31,258)
Changes in Temporarily Restricted Net Assets		
Direct public support -		
Foundation and trust grants	50,000	0
Net assets released from restrictions	(10,000)	0
Increase In Temporarily Restricted Net Assets	40,000	0
Net Increase (Decrease) In Net Assets	89,928	(31,258)
Net Assets - Beginning of Year	67,594	98,852
Net Assets - End of Year	\$ 157,522	\$ 67,594

See Independent Auditors' Report and Accompanying Footnotes.

REAL LIFE 101 SCHOLARSHIP FUND
Statement of Functional Expenses - Cash Basis
Year Ended December 31, 2010

	Mentoring, Awards & Grants	Supporting Services		Total Services
		Management & General	Fundraising Costs	
Cash awards and grants	\$ 84,563	\$ 0	\$ 0	\$ 84,563
Laptop computers and bags	35,961	0	0	35,961
Clerical and administration	0	3,291	0	3,291
Accounting fees	0	3,500	0	3,500
Rent	0	2,907	0	2,907
Computer repairs and maintenance	0	5,231	0	5,231
Postage, mailing service	0	1,133	0	1,133
Printing and copying	0	1,461	1,533	2,994
Supplies	0	2,011	0	2,011
Telephone, telecommunications	0	2,704	0	2,704
Web design	0	6,686	0	6,686
Bank charges	0	1,378	0	1,378
Insurance - Liability, D and O	0	1,866	0	1,866
Mentor relations - Mentor meetings	2,742	0	0	2,742
Mentor relations - Mentor promotions	1,094	0	0	1,094
Mentor relations - Director costs	13,333	0	0	13,333
Travel and meetings	0	5,981	0	5,981
Gala fundraiser event costs	0	0	19,664	19,664
Golf fundraiser event costs	0	0	23,101	23,101
Zoo walk fundraiser event costs	0	0	6,789	6,789
Prospectus printing costs	0	0	7,300	7,300
Total Functional Expenses	\$ 137,693	\$ 38,149	\$ 58,387	\$ 234,229

REAL LIFE 101 SCHOLARSHIP FUND
Statement of Functional Expenses - Cash Basis - (Continued)
Year Ended December 31, 2009

	Mentoring, Awards & Grants	Supporting Services		Total Services
		Management & General	Fundraising Costs	
Cash awards and grants	\$ 90,171	\$ 0	\$ 0	\$ 90,171
Laptop computers and bags	27,468	0	0	27,468
Clerical and administration	0	279	0	279
Accounting fees	0	3,500	0	3,500
Rent	0	2,539	0	2,539
Computer repairs and maintenance	0	2,304	0	2,304
Postage, mailing service	0	1,630	0	1,630
Printing and copying	0	248	2,075	2,323
Supplies	0	1,808	0	1,808
Telephone, telecommunications	0	2,650	0	2,650
Web design	0	2,310	0	2,310
Bank charges	0	779	0	779
Insurance - Liability, D and O	0	1,864	0	1,864
Gala fundraiser event costs	0	0	16,098	16,098
Golf fundraiser event costs	0	0	11,666	11,666
Prospectus printing costs	0	0	13,996	13,996
Total Functional Expenses	\$ 117,639	\$ 19,911	\$ 43,835	\$ 181,385

REAL LIFE 101 SCHOLARSHIP FUND
Notes to the Financial Statements
December 31, 2010 and 2009

NOTE:

1. Nature of Business and Summary of Significant Accounting Policies

Description of Entity – Real Life 101 Scholarship Fund (the Organization) is a domestic non-profit organization developed to provide scholarships, laptops and mentoring to at-risk students.

The following are significant accounting principles and policies followed by the Organization:

Basis of Accounting – The Organization's policy is to prepare its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. That basis differs from generally accepted accounting principles primarily because fixed assets are expensed when paid for rather than capitalized, donations are recognized when received rather than when pledged, and expenses, including credit card expenditures, are recorded when paid rather than when the expense was incurred. Accordingly, the financial statements are not intended to present the Organization's financial position and results of operations in accordance with United States generally accepted accounting principles.

Principles of Presentation – The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions – The Organization records contribution income when it is received.

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 same 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. As of December 31, 2010 and 2009, there were \$40,000 and \$-0- of temporarily restricted net assets. Temporarily restricted net assets consist of funds that are restricted to use in Milwaukee, WI.

Property and Equipment – Property and equipment purchased by the Organization are expensed when paid.

Income Taxes – The Organization is a non-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization's federal exempt organization business income tax returns are subject to examination by the Internal Revenue Service generally for three years after when they were filed.

Advertising – Advertising costs are expensed as incurred.

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 of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reported period. Accordingly, actual results could differ from those estimates.

Donated Services – The Organization received donated services from its board of directors and outside consultants. The full extent and value of the donated services has not been determined, and is not recorded in the financial statements.

REAL LIFE 101 SCHOLARSHIP FUND
Notes to the Financial Statements (Continued)
December 31, 2010 and 2009

NOTE:**1. Nature of Business and Summary of Significant Accounting Policies (Continued)**

Functional Expenses – The costs of providing various programs and other activities have been summarized on a functional basis in the statements of revenues, expenses, and other changes in net assets – cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Although the methods of allocation used are considered reasonable, other methods could be used that would produce different amounts.

Subsequent Events – The Organization has evaluated events and transactions that occurred through August 6, 2011, which is the date the financial statements were available for issue.

Income Tax Uncertainties – Professional standards now require an evaluation of whether a tax position reported on a tax return is more likely than not to be sustained if challenged. Management believes no such positions exist that would have significant impact on Real Life 101 Scholarship Fund's financial position and results of operations. As of December 31, 2010 and 2009, no liability for unrecognized tax benefit was required to be recorded.

2. Related Party Transaction

In September 2010, the Organization entered into a one year contract in the amount of \$40,000 with an independent contract for the position of Director of Mentor Relations. The major duties for this position include: interviewing potential mentors, training new mentors, addressing issues that arise in the mentor program, tracking mentors with regard to updated personal information, providing relevant articles/information for monthly mentor newsletters, continuously recruiting new mentors and managing the reserve mentor group. The person who occupies this position is related to a member of the board of directors. During 2010, \$13,333 was paid in regards to these services.

3. Building Rental Arrangement

The Organization leases office facilities under a lease that expires June 30, 2012.

Aggregate maturities of notes payable for the next two years are as follows:

<u>Years Ending</u> <u>December 31,</u>	<u>Amount</u>
2011	1,924
2012	<u>1,483</u>
	<u>\$ 3,407</u>

4. Temporarily Restricted Net Assets

During 2010 the Organization received a pledge of \$100,000 payable over a 2 year period to provide its programs to the CEO Leadership Academy in Milwaukee, WI. The Organization recognized funds received of \$50,000 during 2010 as temporarily restricted revenue and has expended \$10,000 of these funds.