

**STREETWISE PARTNERS, INC.
FINANCIAL STATEMENTS
(WITH INDEPENDENT AUDITORS' REPORT)
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR 2009)**

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
StreetWise Partners, Inc.

We have audited the accompanying statement of financial position of the StreetWise Partners, Inc. (the "Organization") as of June 30, 2010, and the related statements of activities, 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. The prior year summarized comparative information has been derived from the Organization's 2009 financial statements and, in our report dated October 29, 2010, we expressed an unqualified opinion on these financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These 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 aforementioned financial statements present fairly, in all material respects, the financial position of the StreetWise Partners, Inc. as of June 30, 2010, 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.

Lederer, Levine & Associates, LLC

Lederer, Levine & Associates, LLC

New York, NY
February 11, 2011

STREETWISE PARTNERS, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR 2009)

ASSETS	<u>2010</u>	<u>2009</u>
Cash and cash equivalents (Notes B and E)	\$ 38,034	\$ 27,242
Pledges receivable (Note C)	92,700	40,000
Contributions receivable	8,967	41,978
Prepaid expenses	1,965	3,656
Property and equipment, net (Notes B and D)		664
Security deposits	<u>7,695</u>	<u>3,485</u>
TOTAL ASSETS	\$ <u>149,361</u>	\$ <u>117,025</u>
LIABILITIES		
Accrued expenses and other payables	<u>\$ 68,110</u>	<u>\$ 63,733</u>
TOTAL LIABILITIES	<u>68,110</u>	<u>63,733</u>
COMMITMENTS AND CONTINGENCIES (Note F)		
NET ASSETS		
Unrestricted	(11,449)	13,292
Temporarily restricted (Note H)	<u>92,700</u>	<u>40,000</u>
TOTAL NET ASSETS	<u>81,251</u>	<u>53,292</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>149,361</u>	\$ <u>117,025</u>

The accompanying notes are integral part of these financial statements.

STREETWISE PARTNERS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR 2009)

	2010		2009	
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE:				
Special events (net of costs of direct benefits to donors of \$96,634 and \$72,158, respectively, for the years ended 2010 and 2009)	\$ 136,626	\$	\$ 136,626	\$ 205,572
Contributions and grant income (Note E)	503,102	92,700	595,802	535,644
Donated in-kind services and costs (Notes B and G)	3,151,931		3,151,931	3,025,370
Investment (Loss) Income				(4,356)
Miscellaneous revenue	209		209	1,512
Net assets released from restrictions	40,000	(40,000)		
Total Revenue	3,831,868	52,700	3,884,568	3,763,742
EXPENSES:				
Program services	3,496,152		3,496,152	3,472,211
Management and general	136,981		136,981	112,515
Fundraising and development	223,476		223,476	241,109
Total Expenses	3,856,609		3,856,609	3,825,835
Change in Net Assets	(24,741)	52,700	27,959	(62,093)
Net Assets - Beginning of Year	13,292	40,000	53,292	115,385
Net Assets- End of Year	\$ (11,449)	\$ 92,700	\$ 81,251	\$ 53,292

The accompanying notes are an integral part of these financial statements.

STREETWISE PARTNERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR 2009)

	<u>2010</u>			<u>2009</u>	
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total</u>	<u>Total</u>
Salaries	\$ 221,963	\$ 73,644	\$ 132,997	\$ 428,604	\$ 469,241
Payroll taxes	19,611	6,507	11,750	37,868	40,216
Employee benefits	20,435	6,779	12,244	39,458	34,144
Total salaries and related costs	262,009	86,930	156,991	505,930	543,601
Program costs (Note G)	3,159,660			3,159,660	3,025,370
Occupancy (Note F)	35,071	14,028	21,043	70,142	49,076
Office expenses	8,876	3,550	5,325	17,751	17,675
Travel, conferences, training and meals	1,783	357	1,427	3,567	39,384
Fundraising and event costs			105,436	105,436	118,662
Telephone	1,959	588	718	3,265	515
Insurance	2,899	1,054	1,318	5,271	4,374
Computer expenses	10,677	1,525	3,051	15,253	20,655
Outside services	12,017	24,035	24,035	60,087	61,898
Interest expense	697	1,161	464	2,322	1,239
Books and dues	172	69	103	344	360
Depreciation and amortization	332	133	199	664	3,918
Miscellaneous		3,551		3,551	11,266
Sub-Total	<u>3,496,152</u>	<u>136,981</u>	<u>320,110</u>	<u>3,953,243</u>	<u>3,897,993</u>
Less: costs of direct benefits to donors deducted directly from revenues on the statement of activities for special events			<u>96,634</u>	<u>96,634</u>	<u>72,158</u>
Total Expenses	<u>\$ 3,496,152</u>	<u>\$ 136,981</u>	<u>\$ 223,476</u>	<u>\$ 3,856,609</u>	<u>\$ 3,825,835</u>

The accompanying notes are an integral part of these financial statements.

STREETWISE PARTNERS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR 2009)

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2010</u>	<u>2009</u>
Change in net assets	\$ 27,959	\$ (62,093)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	664	3,918
Changes in operating assets and liabilities:		
Increase (decrease) in assets:		
Pledges receivable	(52,700)	(22,692)
Contributions receivable	33,011	(41,978)
Prepaid expenses	1,691	(991)
Security deposits	(4,210)	
(Increase) decrease in liabilities:		
Accrued expenses and other payables	<u>4,377</u>	<u>(13,096)</u>
Net cash provided (used) by operating activities	<u>10,792</u>	<u>(136,932)</u>
Net increase (decrease) in cash and cash equivalents	10,792	(136,932)
Cash and cash equivalents - beginning of year	<u>27,242</u>	<u>164,174</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>38,034</u></u>	<u><u>\$ 27,242</u></u>
Supplemental cash disclosures:		
Cash paid for interest:	<u><u>\$ 822</u></u>	<u><u>\$ 1,239</u></u>

The accompanying notes are an integral part of these financial statements.

STREETWISE PARTNERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Note A - Organization and Nature of Activities

StreetWise Partners, Inc. (the "Organization") was established under the not-for-profit laws of New York State on August 27, 1997. The Organization's mission is to work with low-income individuals to overcome employment barriers, obtain better jobs and achieve economic self-sufficiency by creating deep mentoring relationships with volunteer business professionals. Born from the desire of three young professionals to find ways to connect low-income, motivated individuals with role models and advancement opportunities, the Organization was initially run entirely by volunteers. The Organization now operates twice a year at seven locations in New York, New Jersey and Washington, DC for a total of 14 annual programs. The Organization encourages people to proactively think about their career, not just their next job, and provides the tools and support required to set and achieve specific career goals. Professional business volunteers are the heart of the programs – representing companies in the hedge fund, private equity, investment banking, management consulting, technology, media, government, health care, non-profit, and other industries. Corporate training facilities provide the equipment as well as the cultural setting necessary to impart the broad spectrum of skills required to succeed in a professional environment

Note B - Summary of Significant Accounting Policies

Basis of Accounting

The Organization follows accounting principles generally accepted in the United States of America ("U.S. GAAP") which include certain specialized requirements set forth in publications of the Financial Accounting Standards Board.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is February 11, 2011.

Accounting for Uncertainty in Income Taxes

The Organization's accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of less than three months to be cash equivalents.

Restricted Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Reclassification

Certain reclassifications were made to the June 30, 2009 financial statements to conform with the presentation of the June 30, 2010 financial statements.

STREETWISE PARTNERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

Note B - Summary of Significant Accounting Policies (continued)

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives.

In-Kind Contributions

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of services are recognized if the services (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations.

Note C - Pledges Receivable

Pledges receivable consists of the following as of June 30:

	2010	2009
Due within one year	\$ <u>92,700</u>	\$ <u>40,000</u>

Note D - Property and Equipment

Property and equipment consists of the following at June 30:

	2010	2009
Computers and software	\$ 15,875	\$ 15,875
Less: accumulated depreciation and amortization	<u>15,875</u>	<u>15,211</u>
	<u>\$ _____</u>	<u>\$ _____</u>

Depreciation and amortization amounted to \$664 and \$3,918, respectively, for the fiscal years ended June 30, 2010 and 2009.

Note E - Concentration of Credit Risk

The Organization maintains several bank accounts at a bank which is an institution insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. This limit will be in effect through December 31, 2013. At June 30, 2010 and 2009, there were no uninsured cash balances.

STREETWISE PARTNERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

Note F – Commitments and Contingencies

- 1) The Organization leased office space in New York City, NY through a sublease which included costs for office services. On January 31, 2010, the Organization moved to their new headquarters in NYC, NY at an annual rent of \$46,170. The new lease expires on January 31, 2012. Total rent expense amounted to approximately \$64,000 and \$49,000 for the years ended June 30, 2010 and 2009.

The Organization receives donated office space, of approximately \$29,400, in Washington, DC. The agreement between the landlord and the Organization may be terminated by either party with eight weeks notice.

Approximate future minimum annual rental commitments under noncancelable rental lease obligations are as follows:

For the years ended June 30, 2011	\$ 46,170
2012	<u>26,933</u>
	<u>\$ 73,103</u>

- 2) The Organization has entered into various equipment leases at an annual cost of \$13,000. The leases and agreements expire at various times over the next two years.

Note G – Donated In-Kind Services and Costs

During the years ended June 30, 2010 and 2009, there were contributed program costs and services in the amount of \$3,151,931 and \$3,025,370 as follows:

	<u>2010</u>	<u>2009</u>
Mentor services	\$ 1,568,719	\$ 1,509,972
Program officers and Board	1,286,800	1,267,200
Speakers and site facilities	273,400	224,250
Materials and computer use	6,500	9,500
Professional services	<u>16,512</u>	<u>14,448</u>
	<u>\$ 3,151,931</u>	<u>\$ 3,025,370</u>

Note H – Temporarily Restricted Net Assets

Temporarily restricted net assets are subject to the following restrictions at June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Time and program restricted	\$ <u>92,700</u>	\$ <u>40,000</u>