

URBAN RANGER CORPS
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009



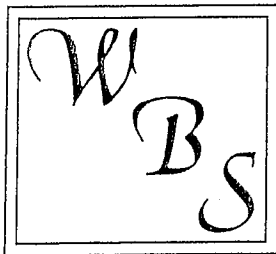
William B. Schmidt, CPA, LLC

Certified Public Accountants

URBAN RANGER CORPS

INDEX

	<u>Page Number</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS:	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
NOTES TO FINANCIAL STATEMENTS	6 - 7



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INDEPENDENT AUDITOR'S REPORT

Mr. Jerry Cooke, Chair Audit Committee
Board of Directors
Urban Rangers
Kansas City, Missouri

We have audited the accompanying statements of financial position of **Urban Ranger Corps** (a nonprofit organization) as of December 31, 2010 and 2009, and the related statements of activities, functional expenses and cash flows 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 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 Urban Ranger Corps as of December 31, 2010 and 2009, and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

September 21, 2011

William B. Schmidt, CPA, LLC

URBAN RANGER CORPS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

	2010	2009
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 144,198	\$ 20,203
Accounts Receivable	-	-
Prepaid Expense	6,897	5,332
Total Current Assets	151,095	25,535
PROPERTY AND EQUIPMENT		
Real Estate	298,743	276,480
Office Equipment	1,757	1,757
Automobiles	44,663	44,663
Total	345,163	322,900
Accumulated Depreciation	(17,901)	(11,517)
Net Property and Equipment	327,262	311,383
Total Assets	\$ 478,357	\$ 336,918
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts Payable	\$ -	\$ -
Payroll Liabilities	-	1,136
Total Liabilities	-	1,136
NET ASSETS		
Unrestricted:		
Undesignated - Available for General Activities	478,357	335,782
Total Net Assets	478,357	335,782
TOTAL LIABILITIES AND NET ASSETS	\$ 478,357	\$ 336,918

See accompanying notes which are an integral part of these financial statements

URBAN RANGER CORPS
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
SUPPORT AND REVENUES		
Support		
Contributions	\$ 73,910	\$ 58,856
Contributions-Board	239,008	450,000
Grant	67,690	-
Special Events	135,211	-
Total Support	<u>515,819</u>	<u>508,856</u>
Revenues		
Project Income	9,600	4,000
Miscellaneous Income	3,418	246
Total Revenues	<u>13,018</u>	<u>4,246</u>
Total Support & Revenues	<u>528,837</u>	<u>513,102</u>
EXPENSES		
Program Services		
Neighborhood Improvement	253,543	284,497
Supporting Services		
General & Administrative	47,670	56,885
Fundraising	85,049	19,318
Total Expenses	<u>386,262</u>	<u>360,700</u>
CHANGE IN NET ASSETS	142,575	152,402
NET ASSETS, Beginning of Year	<u>335,782</u>	<u>183,380</u>
NET ASSETS, End of Year	<u>\$ 478,357</u>	<u>\$ 335,782</u>

See accompanying notes which are an integral part of these financial statements

URBAN RANGER CORPS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2008)

	Neighborhood Improvement	General & Administration	Fundraising	2010 Total	2009 Total
Salaries	\$ 153,054	\$ 30,035	\$ -	\$ 183,089	\$ 173,332
Employee Benefits	1,875	368	-	2,243	6,553
FICA/MED	5,915	1,161	-	7,076	13,261
Total Salaries & Related Expenses	<u>160,844</u>	<u>31,564</u>	-	<u>192,408</u>	<u>193,146</u>
Purchased Services	1,110	3,552	-	4,662	1,844
Legal Fees	-	-	-	-	15,550
Bank Fees	-	1,076	-	1,076	-
Advertising	-	100	-	100	-
Supplies & Meeting Expense	2,408	392	21,840	24,640	10,802
Printing	-	7,981	-	7,981	3,518
Postage	-	894	-	894	251
Occupancy	19,002	2,111	-	21,113	18,881
Insurance	13,969	-	-	13,969	13,449
Equipment Maintenance	424	-	-	424	1,217
Marketing	-	-	1,810	1,810	1,739
Miscellaneous	5,005	-	3,044	8,049	2,898
Transportation	10,537	-	-	10,537	9,691
Training	1,950	-	-	1,950	2,200
Urban Rangers/Neighborhood Improvement	29,151	-	-	29,151	58,613
Tools & Supplies	2,499	-	-	2,499	994
Consultant	-	-	58,355	58,355	16,900
Organizational Dues	-	-	-	-	50
Uniforms	260	-	-	260	3,075
Total Expenses before Depreciation	247,159	47,670	85,049	379,878	354,818
Depreciation & Amortization	6,384	-	-	6,384	5,882
TOTAL EXPENSES	<u>\$ 253,543</u>	<u>\$ 47,670</u>	<u>\$ 85,049</u>	<u>\$ 386,262</u>	<u>\$ 360,700</u>

See accompanying notes which are an integral part of these financial statements.

URBAN RANGER CORPS
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 142,575	\$ 152,402
Adjustments to Reconcile Change in Net Assets to Net Cash Flow for Operating Activities		
Depreciation	6,384	5,882
(Increase) Decrease in Accounts Receivable	-	-
(Increase) Decrease in Prepaid Expenses	(1,565)	(1,668)
Increase(Decrease) in Payroll Liabilities	(1,136)	513
Net Cash Flow from Operating Activities	146,258	157,129
 CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	(22,263)	(161,805)
 CASH FLOWS FROM FINANCING ACTIVITIES:		
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 123,995	 (4,676)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 20,203	 24,879
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 \$ 144,198	 \$ 20,203

See accompanying notes which are an integral part of these financial statements

URBAN RANGER CORPS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 and 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Formation and Purpose of the Organization

Urban Ranger Corps (the Organization) was incorporated as a not for profit organization. Its Board of Directors and advisors manages the Organization. Urban Ranger Corps was formed exclusively for charitable and educational purposes, and no part of its assets or income shall be distributed to or inure to the benefit of any member of the Organization.

The principal purpose of the Organization is to hire, train and utilize local youth in jobs and to clean and repair neighborhood properties in the inner city of Kansas City, Mo. Support for the various programs is derived from various contributions, and bequests.

B. Basis of Financial Statement Presentation

In accordance with professional standards, there are three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Net assets are reported as follows:

- Unrestricted undesignated net assets are unrestricted funds, which are available for any purpose.
- Unrestricted designated net assets are unrestricted funds designated by the Board for specific purposes.
- Temporarily restricted net assets represent contributions whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. When a stipulated restriction ends or purpose of 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 restrictions. There were no temporarily restricted net assets at December 31, 2010 and 2009.
- Permanently restricted net assets represent contributions and other inflow of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The Organization did not have any permanently restricted net assets at December 31, 2010 and 2009.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Federal Income Taxes

Urban Ranger Corps qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, accordingly, no provision for income taxes has been made in the accompanying financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(91)(A) and has been classified as an organization that is not a private foundation under Section 501(c)(3). With few exceptions, the Organization is not subject to review by the Internal Revenue Service for years before 2007.

D. Management 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 December 31 2010 and 2009 and the reported amounts of revenues and expenses during the year then ended. The actual outcome of the estimates could differ from the estimates made in the preparation of the financial statements.

E. Statement of Cash Flows

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be a cash equivalent. For the year ended December 31, 2010 and 2009, there were no cash equivalents.

F. Advertising and Marketing

Advertising and marketing expenses are expensed as incurred. Advertising and marketing expenses generally do not benefit future periods in any significant amount.

NOTE 2 – CONCENTRATION OF BUSINESS

The Organization received 76% and 88% of its contributions from Board members and related parties in 2010 and 2009, respectively. In 2010, the contributions from Board members and related parties represented 46% of total income. This is not expected to change in the future.

NOTE 3 – SUBSEQUENT EVENTS

In May 2009, a new accounting standard was issued which established principles setting forth the period after the balance sheet date during which management is required to evaluate events and transactions that may occur for potential recognition or disclosure in the financial statements. This new standard applies to interim and annual financial periods ending after June 15, 2009. For the purpose of this accounting standard, the Organization has evaluated subsequent events through September 21, 2011.