

**FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

A WIDER CIRCLE, INC.

December 31, 2010 and 2009

A Wider Circle, Inc.

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	5
Statements of Cash Flows	7
Notes to Financial Statements	8

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CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

February 1, 2011

Board of Directors
A Wider Circle, Inc.
Silver Spring, Maryland

We have audited the accompanying statements of financial position of A Wider Circle, Inc. (a nonprofit corporation), 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 the 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 audits provide 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 A Wider Circle, Inc. as of December 31, 2010 and 2009, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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A Wider Circle, Inc.
STATEMENTS OF FINANCIAL POSITION
As of December 31,

	2010	2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 325,425	\$ 201,306
Certificate of deposits	157,724	80,197
Accrued interest receivable	71	71
Grants receivable	202,990	10,443
Prepaid expenses	14,619	4,068
Total current assets	<u>700,829</u>	<u>296,085</u>
PROPERTY AND EQUIPMENT:		
Furniture, fixtures and equipment	24,502	22,073
Truck	60,723	26,010
	<u>85,225</u>	<u>48,083</u>
Less: accumulated depreciation	24,112	13,922
Property and equipment, net	<u>61,113</u>	<u>34,161</u>
OTHER ASSETS		
Grants receivable, net of current portion	30,000	-
Deposit	3,988	3,988
Total other assets	<u>33,988</u>	<u>3,988</u>
TOTAL	<u><u>\$ 795,930</u></u>	<u><u>\$ 334,234</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable - trade	\$ 38,595	\$ 13,829
NET ASSETS:		
Temporarily restricted	272,063	61,000
Unrestricted	485,272	259,405
Total net assets	<u>757,335</u>	<u>320,405</u>
TOTAL	<u><u>\$ 795,930</u></u>	<u><u>\$ 334,234</u></u>

The accompanying notes are an integral part of these statements.

A Wider Circle, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

	Unrestricted	Temporarily Restricted	Total
SUPPORT & REVENUE:			
Grants and contribution income	\$ 600,343	\$ 410,000	\$ 1,010,343
Government grant income	120,960	-	120,960
Special event revenue, net of expenses	55,469	-	55,469
In-kind support	2,395,954	-	2,395,954
Interest income	1,972	-	1,972
Other income	759	-	759
Net assets released from restrictions	198,937	(198,937)	-
Total unrestricted support and reclassifications	3,374,394	211,063	3,585,457
EXPENSES:			
Program services	3,051,118	-	3,051,118
Supporting services:			
Management and general	38,214	-	38,214
Fundraising	59,195	-	59,195
Net expenses	3,148,527	-	3,148,527
Change in net assets	225,867	211,063	436,930
Net assets, January 1, 2010	259,405	61,000	320,405
Net assets, December 31, 2010	\$ 485,272	\$ 272,063	\$ 757,335

The accompanying notes are an integral part of these statements.

A Wider Circle, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT & REVENUE:			
Grants and contribution income	\$ 372,497	\$ 61,000	\$ 433,497
Government grant income	80,081	-	80,081
Special event revenue	37,554	-	37,554
In-kind support	1,435,307	-	1,435,307
Interest income	2,173	-	2,173
Other income	2,180	-	2,180
Net assets released from restrictions	<u>46,000</u>	<u>(46,000)</u>	<u>-</u>
Total unrestricted support and reclassifications	<u>1,975,792</u>	<u>15,000</u>	<u>1,990,792</u>
EXPENSES:			
Program services	1,819,108	-	1,819,108
Supporting services:			
Management and general	30,148	-	30,148
Fundraising	<u>54,149</u>	<u>-</u>	<u>54,149</u>
Net expenses	<u>1,903,405</u>	<u>-</u>	<u>1,903,405</u>
Change in net assets	72,387	15,000	87,387
Net assets, January 1, 2009	<u>187,018</u>	<u>46,000</u>	<u>233,018</u>
Net assets, December 31, 2009	<u>\$ 259,405</u>	<u>\$ 61,000</u>	<u>\$ 320,405</u>

The accompanying notes are an integral part of these statements.

A Wider Circle, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2010

	Supporting Services				
	<u>Program Services</u>	<u>Mgmt & General</u>	<u>Fund- Raising</u>	<u>Total Support</u>	<u>Functional Expenses</u>
Salaries	\$ 300,178	\$ 11,540	\$ 24,267	\$ 35,807	\$ 335,985
Payroll taxes	20,186	776	1,632	2,408	22,594
Benefits	544	21	44	65	609
Total payroll-related costs	320,908	12,337	25,943	38,280	359,188
Furniture and household supplies	2,233,400	-	-	-	2,233,400
Rent & occupancy expenses	221,238	8,903	9	8,912	230,150
Project expenses	133,750	-	-	-	133,750
Community outreach and supplies	65,509	2,126	3,080	5,206	70,715
Professional fees	21,135	5,375	-	5,375	26,510
Printing and reproduction	11,647	104	14,145	14,249	25,896
Telephone	10,130	912	30	942	11,072
Dues and membership	6,671	280	3,880	4,160	10,831
Depreciation	6,195	3,996	-	3,996	10,191
Postage and delivery	4,980	375	2,515	2,890	7,870
Fees	2,770	370	2,906	3,276	6,046
Insurance	4,701	1,256	-	1,256	5,957
Internet & web expenses	3,575	406	551	957	4,532
Emergency assistance	2,551	-	-	-	2,551
Travel	773	-	1,472	1,472	2,245
Special event expense	-	-	2,054	2,054	2,054
Legal and accounting	-	1,771	-	1,771	1,771
Staff development	473	-	-	-	473
Miscellaneous	712	3	2,610	2,613	3,325
Totals	<u>\$ 3,051,118</u>	<u>\$ 38,214</u>	<u>\$ 59,195</u>	<u>\$ 97,409</u>	<u>\$ 3,148,527</u>

The accompanying notes are an integral part of these statements.

A Wider Circle, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2009

	Supporting Services					
	<u>Program Services</u>	<u>Mgmt & General</u>	<u>Fund- Raising</u>	<u>Total Support</u>	<u>Functional Expenses</u>	
Salaries	\$ 169,659	\$ 6,909	\$ 25,090	\$ 31,999	\$ 201,658	
Payroll taxes	13,167	558	2,024	2,582	15,749	
Benefits	3,801	161	584	745	4,546	
Total payroll-related costs	<u>186,627</u>	<u>7,628</u>	<u>27,698</u>	<u>35,326</u>	<u>221,953</u>	
Furniture and household supplies	1,302,025	-	-	-	1,302,025	
Rent & occupancy expenses	212,456	8,439	-	8,439	220,895	
Community outreach and supplies	48,569	3,054	3,840	6,894	55,463	
Professional fees	25,151	300	-	300	25,451	
Printing and reproduction	14,702	162	6,122	6,284	20,986	
Telephone	6,936	529	-	529	7,465	
Dues and membership	5,721	541	800	1,341	7,062	
Depreciation	3,716	3,201	-	3,201	6,917	
Special event expense	-	-	6,911	6,911	6,911	
Insurance	5,567	619	-	619	6,186	
Postage and delivery	3,036	22	2,143	2,165	5,201	
Legal and accounting	-	3,170	-	3,170	3,170	
Fees	-	23	3,100	3,123	3,123	
Fundraising	-	-	3,004	3,004	3,004	
Internet & web expenses	1,832	284	-	284	2,116	
Travel	291	-	531	531	822	
Emergency assistance	300	-	-	-	300	
Miscellaneous	2,179	2,176	-	2,176	4,355	
Totals	<u>\$ 1,819,108</u>	<u>\$ 30,148</u>	<u>\$ 54,149</u>	<u>\$ 84,297</u>	<u>\$ 1,903,405</u>	

The accompanying notes are an integral part of these statements.

A Wider Circle, Inc.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 436,930	\$ 87,387
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	10,190	6,918
Decrease (increase) in operating assets:		
Prepaid expenses	(10,551)	2,293
Promises to give	-	10,772
Accounts receivable	-	973
Grants receivable	(222,547)	25,557
Accrued interest receivable	-	(71)
Deposits	-	(300)
Increase (decrease) in operating liabilities:		
Accounts payable - trade	<u>24,766</u>	<u>10,706</u>
Net cash provided by operating activities	<u>238,788</u>	<u>144,235</u>
CASH FLOWS USED BY INVESTING ACTIVITIES:		
Purchases of property and equipment	(37,142)	(5,355)
Net purchase of certificate of deposit	<u>(77,527)</u>	<u>(80,197)</u>
Net cash provided used by investing activities	<u>(114,669)</u>	<u>(85,552)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	124,119	58,683
Cash and cash equivalents, January 1	<u>201,306</u>	<u>142,623</u>
Cash and cash equivalents, December 31	<u><u>\$ 325,425</u></u>	<u><u>\$ 201,306</u></u>

The accompanying notes are an integral part of these statements.

A Wider Circle, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE A - ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES

1. Nature of Activities

A Wider Circle, Inc. (a non-profit organization) was incorporated in the State of Maryland on October 1, 2001. The Organization's mission is to bring wellness and cutting edge health information to people in need, to deliver school, home and community-based programming to people in need, and to remove inequalities in our society. The mission is accomplished by providing education, services and furnishings to those in need.

2. Basis of Accounting

The Organization recognizes income on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

3. Basis of Presentation

The financial statements are presented in accordance with FASB Accounting Standard Codification (FASB ASC) 958, Not-for-Profit Entities. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. The Organization had no permanently restricted net assets as of December 31, 2010 and 2009.

4. Cash and Cash Equivalents

For purposes of the statements of financial position and cash flows, the Organization considers all unrestricted highly liquid investments, with an initial maturity of three months or less, to be considered cash.

A Wider Circle, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE A - ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES
(continued)

5. Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated for financial statement purposes using the straight-line method based on the property's estimated life.

Additions and improvements that add materially to productive capacity, or extend the life of an asset, are capitalized. Normal repairs and maintenance are charged against income. When facilities are retired or sold, their cost and accumulated depreciation are removed from the accounts and related gains or losses are included in income. In case of trade items, any remaining book value increases the basis of the new acquisitions.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The estimated lives used in determining depreciation are:

Furniture and fixtures	7 – 10 years
Computer equipment	5 years
Truck	7 years

6. Income Taxes

The Organization is a not-for-profit organization that is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been classified as an organization that is not a private foundation under Section 590(a)(1). Income that is not related to exempt purposes, less applicable deductions, is subject to Federal and state corporate income taxes. The Organization did not have any unrelated business income for the years ended December 31, 2010 and 2009.

A Wider Circle, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE A - ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES
(continued)

7. Donated Material and Contributed Services

During the years ended December 31, 2010 and 2009, the Organization was a recipient of various pieces of furniture and household supplies to hand out to various families in need in the amount of \$2,233,400 and \$1,302,025, respectively. Additionally, the Organization received 6,000 square feet of storage space in 2010 and 2009 valued in the amount of \$136,044 and \$132,082, respectively, donated computer consultant services in 2010 and 2009 in the amounts of \$18,750 and \$1,200, respectively, and legal and professional services in 2010 in the amount of \$7,760.

Numerous other unpaid volunteers have made significant contributions of their time to the management of the Organization and to the delivery of its program services. The value of this donated time is not determinable and, as such, is not reflected in these financial statements. The total volunteer time in 2010 was approximately 40,000 hours and intern time was approximately 60,000 hours.

8. Restricted and Unrestricted Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All 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 (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 restrictions.

9. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

A Wider Circle, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE A - ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES
(continued)

10. Grants and Contract Awards

The Organization receives grants from private grantors for various purposes. Grants and contract awards not yet received are accrued. The Organization defers grants and contract revenues received under approved awards from grantors to the extent they exceed expenses incurred for the purposes specified under the grant restrictions.

11. Promises to Give

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. All promises to give are due in less than one year.

12. Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

13. Uncertain Tax Provisions

Accounting for uncertain income tax positions, relating to both federal and state income taxes, are required when a more likely than not threshold is attained. If such positions result in uncertainties, then the unrecognized tax liability is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. With the adoption of these new rules, the Organization assessed its tax positions in accordance with the guidance. The Organization has determined that its tax status as a MD non-profit corporation is its only tax position and is highly certain. Therefore, these new rules had no impact on the Organization's financial statements.

A Wider Circle, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE A - ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES
(continued)

14 **Subsequent Events**

Management has evaluated subsequent events through March 8, 2011, the date which the financial statements were available to be issued.

NOTE B – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at the end of the year represent grants that have been received and designated as temporarily restricted by each respective grantor. As these funds are expended, the temporary restrictions expire and the temporarily restricted net assets are reclassified to unrestricted net assets on the statement of activities.

As of December 31 2010 and 2009, temporarily restricted net assets are comprised of the following funds:

	<u>2010</u>	<u>2009</u>
Grants received for the following year	\$ -0-	\$61,000
Sibley Plaza beautification project	182,063	-0-
Neighbor-to-Neighbor	<u>60,000</u>	<u>-0-</u>
	<u>\$242,063</u>	<u>\$61,000</u>

NOTE C – CERTIFICATE OF DEPOSIT

The Organization maintains a portion of its operating funds in a secure income producing investments. As of December 31, 2010 and 2009, these cash investments of \$157,724 and \$80,197 respectively, include certificates of deposit stated at cost, which approximates market value. The certificates of deposit as of December 31, 2010 bear interest at 1.0% to 1.6% and mature in 2011.

A Wider Circle, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE D – COMMITMENTS

The Organization is obligated under the following rental leases:

<u>Lessor</u>	<u>Location</u>	<u>Term / Exp. Date</u>	<u>Terms</u>
Brookville Warehouse LLC	9151 Brookville Rd, Silver Spring, MD	5 year September 1, 2008	\$3,688/month thru 9/09, 4% increase per year thereafter

The future minimum rental commitments under operating leases as of December 31, 2009 are as follows:

For the year ending December 31, 2011	\$48,501
December 31, 2012	50,440
December 31, 2013	34,512

NOTE E – GRANTS INCOME – GOVERNMENT

The organization for the years ended December 31, 2010 and 2009 was awarded government grant income that covered periods subsequent to December 31, 2010 and 2009. The unearned portion of these grants amounted to \$55,738 and \$120,326 as of December 31, 2010 and 2009, respectively.

A Wider Circle, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE F – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are as follows:

	<u>2010</u>	<u>2009</u>
Net unconditional promises to give	\$ <u>232,990</u>	\$ <u>10,443</u>
Receivables due in less than one year	\$ 202,990	\$ 10,443
Receivables due in one to two years	<u>30,000</u>	<u>-0-</u>
Net unconditional promises to give	\$ <u>232,990</u>	\$ <u>10,443</u>

NOTE G – RECLASSIFICATIONS

Certain amounts in the 2009 financial statements have been reclassified to conform to the 2010 financial statement presentation.