

**Financial Statements of
HOPE NETWORK INC**

For the Periods Ended September 30, 2010

See Independent Accountants' Compilation Report

Tennies Acctng & Bus Services CPA's S.C.
PO Box 158
Richfield, WI 53076

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

HOPE NETWORK INC
P.O. BOX 531
MENOMONEE FALLS, WI 53052

We have compiled the accompanying statements of assets, liabilities, and equity-income tax basis of HOPE NETWORK INC as of September 30, 2010, and the related statements of revenues, expenses and retained earnings-income tax basis for the period then ended. We have not audited or reviewed the accompanying financial statements and, accordingly do not express an opinion or provide any assurance about whether the financial statements are in accordance with the income tax basis of accounting.

The owners are responsible for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting and for the designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The owners have elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, equity, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Sincerely,

Tennies Acctng & Bus Services CPA's S.C.
Certified Public Accountants

June 6, 2011

HOPE NETWORK INC
BALANCE SHEET
As of September 30, 2010

GL0873

ASSETS

CURRENT ASSETS:

| | | |
|----------------------|--------------|--------------|
| CASH IN BANK | \$ 15,495.90 | |
| SAVINGS-2052 | 356.92 | |
| TOTAL CURRENT ASSETS | | \$ 15,852.82 |

FIXED ASSETS:

| | | |
|--------------------|----------|-------------|
| EQUIPMENT | 5,922.53 | |
| | 5,922.53 | |
| TOTAL FIXED ASSETS | | \$ 5,922.53 |

| | | |
|---------------------|--|---------------------|
| TOTAL ASSETS | | <u>\$ 21,775.35</u> |
|---------------------|--|---------------------|

LIABILITIES

CURRENT LIABILITIES:

EQUITY

| | | |
|-------------------------------------|------------|---------------------|
| FUND BALANCE | 31,516.80 | |
| NET LOSS | (9,741.45) | |
| TOTAL EQUITY | | \$ 21,775.35 |
| TOTAL LIABILITIES AND EQUITY | | <u>\$ 21,775.35</u> |

HOPE NETWORK INC
INCOME STATEMENT

For the 1 Month and 12 Months Ended September 30, 2010

| | 1 Month Ended September 30, 2010 | % | 12 Months Ended September 30, 2010 | % |
|--------------------------------------|----------------------------------------|----------|------------------------------------------|----------|
| REVENUE: | | | | |
| 301.1 - DONATIONS-INDIVIDUA | \$ 991.02 | 23.74 | \$ 20,021.70 | 35.04 |
| 301.2 - DONATIONS-BUSINESS | 400.00 | 9.58 | 6,317.65 | 11.06 |
| 301.3 - DONATIONS-CHURCH | 0.00 | 0.00 | 7,141.75 | 12.50 |
| 302.1 - GRANT-CRIB PROGRAM | 0.00 | 0.00 | 9,597.66 | 16.79 |
| 302.2 - DONATIONS-SCHOLARSH | 0.00 | 0.00 | 0.00 | 0.00 |
| 302.3 - GRANT-NEWSPAPER | 28.00 | 0.67 | 96.65 | 0.17 |
| 303 - GROCERY STORE RECEIPT | 375.87 | 9.00 | 1,507.84 | 2.64 |
| 304 - QUAR. NEWSPAPER SUBSC | 0.00 | 0.00 | 0.00 | 0.00 |
| 305 - SPECIAL EVENTS | 0.00 | 0.00 | 13.00 | 0.02 |
| 306 - MEMBERSHIP DUES | 70.00 | 1.68 | 1,935.00 | 3.39 |
| TOTAL INCOME | \$ 1,864.89 | (44.67) | \$ 46,631.25 | (81.60) |
| FUNDRAISING: | | | | |
| 401 - WINE TASTING FUNDRAIS | \$ 2,310.00 | 55.33 | \$ 2,956.00 | 5.17 |
| 402.1 - FALL FUNDRAISING LE | 0.00 | 0.00 | 5,290.00 | 9.26 |
| 402.2 - SPRING FUNDRAISING | 0.00 | 0.00 | 2,270.00 | 3.97 |
| TOTAL INCOME FUNDRAISERS | \$ 2,310.00 | (55.33) | \$ 10,516.00 | (18.40) |
| TOTAL REVENUES | \$ 4,174.89 | (100.00) | \$ 57,147.25 | (100.00) |
| EXPENSES: | | | | |
| PROGRAM EXPENSES: | | | | |
| 501 - CRIB PURCHASES | \$ 1,476.20 | 35.36 | \$ 13,338.88 | 23.34 |
| 504 - PAYROLL-PROGRAM | 2,229.76 | 53.41 | 16,842.32 | 29.47 |
| 505 - PAYROLL TAXES-PROGRAM | 170.57 | 4.09 | 1,333.65 | 2.33 |
| 506 - QUARTERLY NEWSPAPER P | 1,689.75 | 40.47 | 11,685.12 | 20.45 |
| 508 - TRADING POSTS PROGRAM | 62.95 | 1.51 | 91.91 | 0.16 |
| 509 - UTILITIES/TELEPHONE | 170.12 | 4.07 | 1,777.73 | 3.11 |
| 510 - POSTAGE | 431.80 | 10.34 | 3,576.88 | 6.26 |
| 511 - OFFICE SUPPLIES | 22.98 | 0.55 | 1,837.03 | 3.21 |
| 512 - HOLIDAY GIFT CARD PRO | 0.00 | 0.00 | 515.00 | 0.90 |
| 513 - JBF SPRING/MOTHERS DA | 0.00 | 0.00 | 224.98 | 0.39 |
| 517 - HOLIDAY GIVING TREE E | 0.00 | 0.00 | 87.79 | 0.15 |
| 518 - MISCELLANEOUS | 0.00 | 0.00 | 438.95 | 0.77 |
| 519 - COPY MACHINE LEASE | 129.59 | 3.10 | 2,122.13 | 3.71 |
| 520 - PROFESSIONAL FEES | 276.25 | 6.62 | 3,820.75 | 6.69 |
| 524 - SCHOLARSHIP FUND EXPE | 0.00 | 0.00 | 1,000.00 | 1.75 |
| TOTAL PROGRAM EXPENSES | \$ 6,659.97 | 159.52 | \$ 58,693.12 | 102.71 |
| MANAGEMENT & GENERAL EXP: | | | | |
| 601 - PROFESSIONAL FEES | \$ 45.50 | 1.09 | \$ 629.30 | 1.10 |
| 602 - FEES AND INSURANCE | 0.00 | 0.00 | 864.00 | 1.51 |
| 603 - OFFICE SUPPLIES | 3.79 | 0.09 | 302.58 | 0.53 |

STATEMENT OF RETAINED EARNINGS
STATEMENT OF PARTNERS' EQUITY

HOPE NETWORK INC

INCOME STATEMENT

For the 1 Month and 12 Months Ended September 30, 2010

| | 1 Month Ended September 30, 2010 | % | 12 Months Ended September 30, 2010 | % |
|-------------------------------|----------------------------------------|----------------|------------------------------------------|----------------|
| 604 - UTILITIES/TELEPHONE | 30.02 | 0.72 | 343.67 | 0.60 |
| 605 - COPY MACHINE LEASE & MA | 21.34 | 0.51 | 349.47 | 0.61 |
| 606 - MILEAGE | 0.00 | 0.00 | 68.10 | 0.12 |
| 607 - VOLUNTEER SERVICES | 0.00 | 0.00 | 692.60 | 1.21 |
| 608 - PAYROLL-GENERAL | 367.26 | 8.80 | 2,774.06 | 4.85 |
| 609 - PAYROLL TAXES-GENERAL | 28.09 | 0.67 | 219.65 | 0.38 |
| 610 - POSTAGE | 71.12 | 1.70 | 589.37 | 1.03 |
| 611 - MISCELLANEOUS | 0.00 | 0.00 | 65.78 | 0.12 |
| TOTAL MANAGEMENT EXPENSES | \$ 567.12 | 13.58 | \$ 6,898.58 | 12.07 |
| FUNDRAISING EXPENSES: | | | | |
| 701 - WINE TASTING EXPENSE | \$ 66.00 | 1.58 | \$ 543.04 | 0.95 |
| 702 - SPRING FUNDRAISING LETT | 0.00 | 0.00 | 0.00 | 0.00 |
| 703 - FALL FUNDRAISING LETTER | 0.00 | 0.00 | 400.86 | 0.70 |
| 704 - POSTAGE EXPENSE | 5.08 | 0.12 | 43.02 | 0.08 |
| 705 - OFFICE SUPPLIES | 0.27 | 0.01 | 21.60 | 0.04 |
| 706 - PAYROLL-FUNDRAISING | 26.23 | 0.63 | 198.12 | 0.35 |
| 707 - PAYROLL TAXES-FUNDRAISI | 2.01 | 0.05 | 15.69 | 0.03 |
| 708 - MISCELLANEOUS | 0.00 | 0.00 | 4.69 | 0.01 |
| 709 - COPY MACHINE LEASE | 1.53 | 0.04 | 25.03 | 0.04 |
| 710 - PROFESSIONAL FEES | 3.25 | 0.08 | 44.95 | 0.08 |
| TOTAL FUNDRAISING EXPENSES | \$ (104.37) | (2.50) | \$ (1,297.00) | (2.27) |
| TOTAL EXPENSES | 7,331.46 | 175.61 | 66,888.70 | 117.05 |
| OPERATING INCOME | (3,156.57) | 75.61 | (9,741.45) | 17.05 |
| OTHER INCOME | | | | |
| 800 - INTEREST INCOME | \$ 0.00 | 0.00 | \$ 0.00 | 0.00 |
| 800.1 - INTEREST-SCHOLARSHIP | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL OTHER INCOME | \$ 0.00 | 0.00 | \$ 0.00 | 0.00 |
| NET INCOME/LOSS | <u>\$ (3,156.57)</u> | <u>(75.61)</u> | <u>\$ (9,741.45)</u> | <u>(17.05)</u> |

HOPE NETWORK INC
STATEMENT OF CASH FLOWS
For the 12 months Ended September 30, 2010

| | |
|--------------------------------------------------------------------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| NET LOSS | \$ (9,741.45) |
| ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | |
| CHANGES IN CURRENT ASSETS AND LIABILITIES: | |
| DECREASE IN PAYROLL LIABILITIES | (0.58) |
| TOTAL ADJUSTMENTS | \$ (0.58) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | \$ 0.00 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | \$ 0.00 |
| NET DECREASE IN CASH | \$ (9,742.03) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>\$ 25,594.85</u> |
| CASH AND CASH EQUIVALENTS AT September 30, 2010 | <u>\$ 15,852.82</u> |