

myGoodDeed Inc.

**Certified Public Accountants'
Audited Financial Statements**

March 31, 2007

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
myGoodDeed Inc.

We have audited the accompanying statement of financial position of myGoodDeed Inc. (a California non-profit corporation) as of March 31, 2007, 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 misstatements. 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 myGoodDeed Inc. as of March 31, 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Stephens, Reidinger + Beller LLP

Newport Beach, California
August 3, 2007

myGoodDeed Inc.

STATEMENT OF FINANCIAL POSITION

March 31, 2007

ASSETS

Current assets

| | | |
|-------------------------|----|---------------|
| Cash | \$ | 22,870 |
| Contribution receivable | | <u>4,000</u> |
| Total current assets | | <u>26,870</u> |

| | | |
|--------------|----|----------------------|
| Total assets | \$ | <u><u>26,870</u></u> |
|--------------|----|----------------------|

LIABILITIES AND NET DEFICIT

Current liabilities

| | | |
|---------------------------|----|---------------|
| Advances payable | \$ | <u>42,911</u> |
| Total current liabilities | | <u>42,911</u> |

Net deficit

| | |
|------------------------|-----------------|
| Unrestricted | (16,041) |
| Temporarily restricted | - |
| Permanently restricted | <u>-</u> |
| Total net deficit | <u>(16,041)</u> |

| | | |
|-----------------------------------|----|----------------------|
| Total liabilities and net deficit | \$ | <u><u>26,870</u></u> |
|-----------------------------------|----|----------------------|

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

myGoodDeed Inc.

STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2007

| | <u>Unrestricted</u> |
|----------------------------------|---------------------|
| Support and revenues | |
| Contributions | \$ 201,417 |
| Interest income | <u>23</u> |
| Total support and revenues | 201,440 |
| Expenses | |
| Program services | 136,168 |
| Management and general | 3,366 |
| Fundraising | <u>12,636</u> |
| Total expenses | <u>152,170</u> |
| Increase in net assets | 49,270 |
| Net deficit at beginning of year | <u>(65,311)</u> |
| Net deficit at end of year | <u>\$ (16,041)</u> |

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

myGoodDeed Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended March 31, 2007

| | <u>Supportive Services</u> | | | | <u>Total</u> |
|-------------------------------------|------------------------------|-----------------------------------|-------------------------|------------------|-------------------|
| | <u>Programs Services</u> | <u>Management and General</u> | <u>Fund Raising</u> | <u>Subtotal</u> | |
| Distribution services | \$ 5,199 | \$ - | \$ - | \$ - | \$ 5,199 |
| Equipment rental and maintenance | 2,492 | 525 | - | 525 | 3,017 |
| Legal fees | - | 375 | - | 375 | 375 |
| Miscellaneous | - | 74 | - | 74 | 74 |
| Monitoring and reporting | 9,011 | - | - | - | 9,011 |
| Postage and shipping | 6,539 | 436 | 1,744 | 2,180 | 8,719 |
| Printing and publications | 12,597 | 318 | - | 318 | 12,915 |
| Professional fundraising fees | - | - | 6,142 | 6,142 | 6,142 |
| Program events | 41,253 | - | - | - | 41,253 |
| Program implementation | 40,420 | - | - | - | 40,420 |
| Supplies | 5,098 | 734 | 1,135 | 1,869 | 6,967 |
| Telephone | 3,009 | 201 | 802 | 1,003 | 4,012 |
| Travel | 10,550 | 703 | 2,813 | 3,516 | 14,066 |
| Total | <u>\$ 136,168</u> | <u>\$ 3,366</u> | <u>\$ 12,636</u> | <u>\$ 16,002</u> | <u>\$ 152,170</u> |

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

myGoodDeed Inc.

STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2007

Cash flows from operating activities

| | |
|---|-------------------------|
| Increase in net assets | \$ 49,270 |
| Adjustments to reconcile net income to net cash (used) provided by operating activities | |
| (Increase) decrease in operating assets | |
| Contribution receivable | (4,000) |
| (Decrease) increase in operating liabilities | |
| Advances payable | <u>(69,148)</u> |
| Net cash used by operating activities | <u>(23,878)</u> |
| Net decrease in cash and cash equivalents | (23,878) |
| Cash and cash equivalents at beginning of year | <u>46,748</u> |
| Cash and cash equivalents at end of year | <u><u>\$ 22,870</u></u> |

The accompanying notes are an integral part of these statements.

myGoodDeed Inc.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2007

NOTE 1: ORGANIZATION AND NATURE OF SERVICES

myGoodDeed Inc. (the Organization) is a California non-profit organization formed to organize the U.S. effort to transform the anniversary of 9/11 into the single largest expression of service in the nation's history, by working with government agencies, leading 9/11 support groups, and major nonprofits. Television and radio advertising, public service announcements, online initiatives, volunteer events in major cities, school programs, high profile media relations and grassroots programs will reach literally millions of people, helping to make the anniversary of 9/11 the story of the year. The Organization has offices in Irvine and New York City.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Organization.

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations* which requires it to report information regarding its financial position and activities according to three classes of assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization does not have any temporarily or permanently restricted net assets at March 31, 2007.

Basis of presentation

The financial statements are presented on the accrual basis of accounting.

Donated services and materials

Donated materials have been included in the accompanying financial statements where estimates of market value were available to measure the value of such materials. Donated services are recognized when a non-financial asset is created or specialized skills are required and the organization would otherwise need to purchase the services. In addition, a substantial number of volunteers have donated their time to the organization. The value of this time and related expense has not been included in the accompanying financial statements except to the extent such services meet the criteria set forth above.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

March 31, 2007

Promises to Give

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made* under which 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 restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. At March 31, 2007 there was \$4,000 receivable from a donor.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. Based on prior years' experience and management's analysis of specific promises made no allowance has been made.

Income Taxes

The Organization is exempt from federal income taxes under the 501(c)(3) provisions of the Internal Revenue Code. No provision for income tax liability is therefore required.

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents. The Organization did not have any cash equivalents during the year ended March 31, 2007.

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 of assets and liabilities and 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.

Concentration of Credit Risks

The Organization maintains its cash in a bank deposit account which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

myGoodDeed Inc.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

March 31, 2007

Functional Allocation of Expenses

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

NOTE 3: ADVANCES PAYABLE

The Organization's founder and chief executive officer is the president of a company that provided \$126,955 in non-interest bearing short term advances during the fiscal year ending March 31, 2007 which were used to pay operating expenses of the Organization. The Organization repaid \$84,044 during the fiscal year leaving a balance payable of \$42,911 at March 31, 2007.