

**TIMOTHY SMITH NETWORK, INC.**  
**FINANCIAL STATEMENTS**  
**June 30, 2010 and 2009**

**TIMOTHY SMITH NETWORK, INC.**

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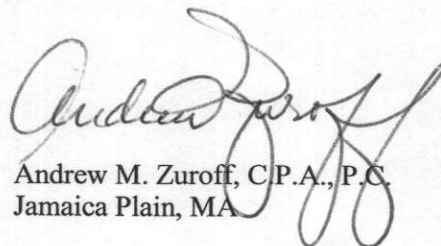
**Independent Auditor's Report on the Financial Statements**

To the Board of Directors  
Timothy Smith Network, Inc.  
Roxbury, Massachusetts

We have audited the accompanying statements of financial position of Timothy Smith Network, Inc., (a Massachusetts corporation, not-for-profit) as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Timothy Smith Network, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted the audits 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 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 Timothy Smith Network, Inc. as of June 30, 2010 and 2009, 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.



Andrew M. Zuroff, C.P.A., P.C.  
Jamaica Plain, MA

August 23, 2010

**TIMOTHY SMITH NETWORK, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 278,935	\$ 842,135
Unconditional promises to give - Unrestricted:		
Membership dues and fees	0	1,000
Prepaid deferred program expenses	0	67,234
Prepaid insurance	1,403	678
Prepaid payroll taxes	1,965	521
	<u>282,303</u>	<u>911,568</u>
 Total Current Assets	 <u>282,303</u>	 <u>911,568</u>
 Property and equipment (Note C)	 15,768	 12,992
Less: Accumulated Depreciation	<u>9,022</u>	<u>6,779</u>
	<u>6,746</u>	<u>6,213</u>
 Net Property and Equipment	 <u>6,746</u>	 <u>6,213</u>
 <b>Total Assets</b>	 <b><u>\$ 289,049</u></b>	 <b><u>\$ 917,781</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	<u>\$ 4,931</u>	<u>\$ 27,588</u>
	<u>4,931</u>	<u>27,588</u>
 Total Current Liabilities	 <u>4,931</u>	 <u>27,588</u>
<b>NET ASSETS</b>		
Unrestricted	(48,656)	36,521
Temporary restricted (Note B)	<u>332,774</u>	<u>853,672</u>
	<u>284,118</u>	<u>890,193</u>
 Total Net Assets	 <u>284,118</u>	 <u>890,193</u>
 <b>Total Liabilities and Net Assets</b>	 <b><u>\$ 289,049</u></b>	 <b><u>\$ 917,781</u></b>

See accompanying notes to financial statements.

Andrew M. Zuroff, C.P.A., P.C.

**TIMOTHY SMITH NETWORK, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended June 30, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<b>UNRESTRICTED NET ASSETS</b>		
Unrestricted revenues:		
Support services	\$ 18,128	\$ 21,046
Administrative fees	0	97,192
Fund raising	0	6,420
Membership dues	4,125	4,250
Investment return	1,392	541
Net assets released from restriction	<u>555,898</u>	<u>183,156</u>
 Total Unrestricted Revenues	 <u>579,543</u>	 <u>312,605</u>
Functional Expenses:		
Program services	555,898	183,156
Supporting services	96,723	97,148
Fund raising services	<u>12,099</u>	<u>27,000</u>
 Total Functional Expenses	 <u>664,720</u>	 <u>307,304</u>
 Increase (Decrease) in Unrestricted Net Assets	 <u>(85,177)</u>	 <u>5,301</u>
<b>TEMPORARY RESTRICTED NET ASSETS</b>		
Contributions:		
Timothy Smith Fund	0	904,756
Microsoft Online Presence for Employment	35,000	0
Net assets released from restrictions	<u>(555,898)</u>	<u>(183,156)</u>
 Increase (Decrease) in Temporay Unrestricted Funds	 <u>(520,898)</u>	 <u>721,600</u>
 Change in Net Assets	 (606,075)	 726,901
 Net Assets at Beginning of Year	 <u>890,193</u>	 <u>163,292</u>
 <b>Net Assets at End of Year</b>	 <b><u>\$ 284,118</u></b>	 <b><u>\$ 890,193</u></b>

See accompanying notes to financial statements.

Andrew M. Zuroff, C.P.A., P.C.