

WELLS BRING HOPE

FINANCIAL STATEMENTS

AND

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

YEAR ENDED DECEMBER 31, 2010

Ostiller and Hung
ACCOUNTANCY CORPORATION
Pasadena, CA

WELLS BRING HOPE

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors of
Wells Bring Hope
16563 Park Lane Circle
Los Angeles, CA 90049

We have audited the accompanying statement of financial position of Wells Bring Hope (a nonprofit corporation) as of December 31, 2010, and the related statements of activities, functional expenses, and cash flows for the year 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 from 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 Wells Bring Hope as of December 31, 2010, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 8-9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

June 23, 2011
Pasadena, California

Ostiller and Hung

FINANCIAL STATEMENTS

WELLS BRING HOPE
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2010

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 7,361
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TOTAL ASSETS	\$ 7,361
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LIABILITIES AND NET ASSETS

NET ASSETS

Unrestricted:	
Undesignated	\$ 7,361
Total unrestricted	7,361
Temporarily restricted	-
Permanently restricted	-
Total net assets	7,361

TOTAL LIABILITIES AND NET ASSETS	\$ 7,361
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The accompanying notes are an integral part of these statements.

WELLS BRING HOPE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

	FOR THE YEAR ENDED DECEMBER 31, 2010			
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
SUPPORT AND REVENUE				
Contributions	\$ 48,377	\$ -	\$ -	\$ 48,377
Net assets released from restrictions:				
Satisfaction of program restrictions	-	-	-	-
Total support and revenue	48,377	-	-	48,377
EXPENSES				
Program services:				
Drilling wells	36,200	-	-	36,200
Supporting services:				
General and administrative	4,816	-	-	4,816
Total expenses	41,016	-	-	41,016
INCREASE IN NET ASSETS	7,361	-	-	7,361
NET ASSETS AT BEGINNING OF YEAR	-	-	-	-
NET ASSETS AT END OF YEAR	7,361	-	-	7,361

The accompanying notes are an integral part of these statements.

**WELLS BRING HOPE
STATEMENT OF FUNCTIONAL EXPENSES**

FOR THE YEAR ENDED DECEMBER 31, 2010

	PROGRAM SERVICES -- DRILLING <u>WELLS</u>	SUPPORTING SERVICES GENERAL AND <u>ADMINISTRATIVE</u>	<u>TOTAL</u>
Grants to World Vision, Inc.	\$ 36,200	\$ -	\$ 36,200
General office expenses	-	1,953	1,953
Postage	-	1,601	1,601
Video expenses	-	643	643
Web site maintenance	-	618	618
	\$ 36,200	\$ 4,816	\$ 41,016
	\$ 36,200	\$ 4,816	\$ 41,016

The accompanying notes are an integral part of these statements.

**WELLS BRING HOPE
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED DECEMBER 31, 2010

CASH FLOW FROM OPERATING ACTIVITIES

Net assets - end of year	\$ 7,361
Net assets - beginning of year	-
Increase/<Decrease> in Net Assets	<u>7,361</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	-

NET CASH PROVIDED/<USED> BY OPERATING ACTIVITIES 7,361

CASH FLOW FROM INVESTING ACTIVITIES

NET CASH PROVIDED/<USED> BY INVESTING ACTIVITIES -

CASH FLOW FROM FINANCING ACTIVITIES

NET CASH PROVIDED/<USED> BY FINANCING ACTIVITIES -

INCREASE/<DECREASE> IN CASH AND CASH EQUIVALENTS 7,361

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR -

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 7,361

The accompanying notes are an integral part of these statements.

**WELLS BRING HOPE
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: Wells Bring Hope (WBH) is incorporated as a nonprofit under the laws of California. WBH is an organization that raises money from the public, and is committed to drilling wells to bring safe water and good sanitation to rural villages in Niger and Mali, West Africa – saving lives with safe water. Why does Wells Bring Hop drill wells in Africa? Niger is one of the three poorest countries in the world, according to the 2010 United Nations Development Index, and one of many places where contaminated water kills innocent victims, most often infants and young children. There is more to this sad story. The burden of getting water falls upon women and girls, who walk back-breaking miles every day to find and carry water back to their villages. The result? Girls are not able to go to school and women have no time to work productively to generate income for their families. This doesn't have to happen. WBH can drill a well deep into the ground and transform lives instantly:

- Child mortality is reduced by 65%
- Girls go to school
- Women get micro-loans and start small businesses, feeling pride in their accomplishment

Wells Bring Hope partners with World Vision, Inc. to drill wells and continues working with villages where wells are drilled for 15-20 years after a well is drilled. WBH educates villagers on good sanitation & proper hygiene. Being partnered with World Vision guarantees Well Bring Hope the highest and most consistent quality work in well drilling and maintenance.

Method of Accounting: Assets and Liabilities and Revenue and Expenses are recognized on the accrual basis of accounting. Income is recorded when earned and expenses are recorded when incurred.

Basis of Presentation: WBH reports information regarding its financial position and activities according to three classes of net assets dependent on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of WBH, and changes therein, are classified and reported in one of the following classes:

- Unrestricted – Net assets representing expendable funds available for operations, which are not otherwise limited by donor restrictions.
- Temporarily Restricted – Net assets consisting of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before WBH may spend the funds. There were no temporarily restricted assets as of December 31, 2010.
- Permanently Restricted – Net assets subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations. There were no permanently restricted assets as of December 31, 2010.

**WELLS BRING HOPE
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates: Generally accepted accounting principles require management to make estimates and assumptions that affect assets and liabilities, contingent assets and liabilities, and revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents: WBH considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Income Taxes: WBH is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, WBH may be subject to tax on income which is unrelated to its exempt purpose. For the year ended December 31, 2010, WBH had no unrelated business taxable income. Therefore, no provision for income taxes has been made. WBH is not a private foundation.

Interest Expense: WBH had no outstanding notes or bonds, and incurred no debt during the year. Therefore, no provision for interest expense has been made.

Support and Revenue: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the presence or absence of any donor-imposed restrictions. For the year ended December 31, 2010, there were no donations that were either temporarily or permanently restricted.

Contributed Services: A substantial number of volunteers have donated their time to WBH in various capacities. The services do not meet the criteria for recognition as a contribution and are not reflected in the accompanying financial statements.

NOTE 2 – MAJOR DONORS

Four separate donors accounted for approximately 66% of total revenue for the year ended December 31, 2010.

NOTE 3 – CONCENTRATION OF CREDIT RISK

WBH holds deposits in a financial institution, wherein such deposits, at times, may be in excess of the amount insured by the Federal Depository Insurance Corporation. No losses have been experienced on these accounts. WBH manages the risk by using only quality financial institutions.

NOTE 4 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs may have been allocated among the programs and supporting services that benefited from those costs.

SUPPLEMENTARY INFORMATION

WELLS BRING HOPE
SCHEDULES OF GRANTS TO ORGANIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>2010</u>
GRANTS TO ORGANIZATIONS	
World Vision, Inc.	\$ 36,200
Others	-
	<hr/>
	<u><u>\$ 36,200</u></u>

**WELLS BRING HOPE
SCHEDULES OF REVENUE & EXPENSES**

FOR THE YEAR ENDED DECEMBER 31, 2010

SUPPORT AND REVENUE

Contributions	\$ 48,377
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EXPENSES

Primary mission:

World Vision, Inc. funding	36,200
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Administrative expenses:

Supplies	1,953
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Postage	1,601
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Video expense	643
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Web Site Maintenance expense	618
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Total expenses	<u>41,016</u>
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**EXCESS/<SHORTAGE> OF SUPPORT AND
REVENUE OVER EXPENSES**

	<u><u>\$ 7,361</u></u>
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