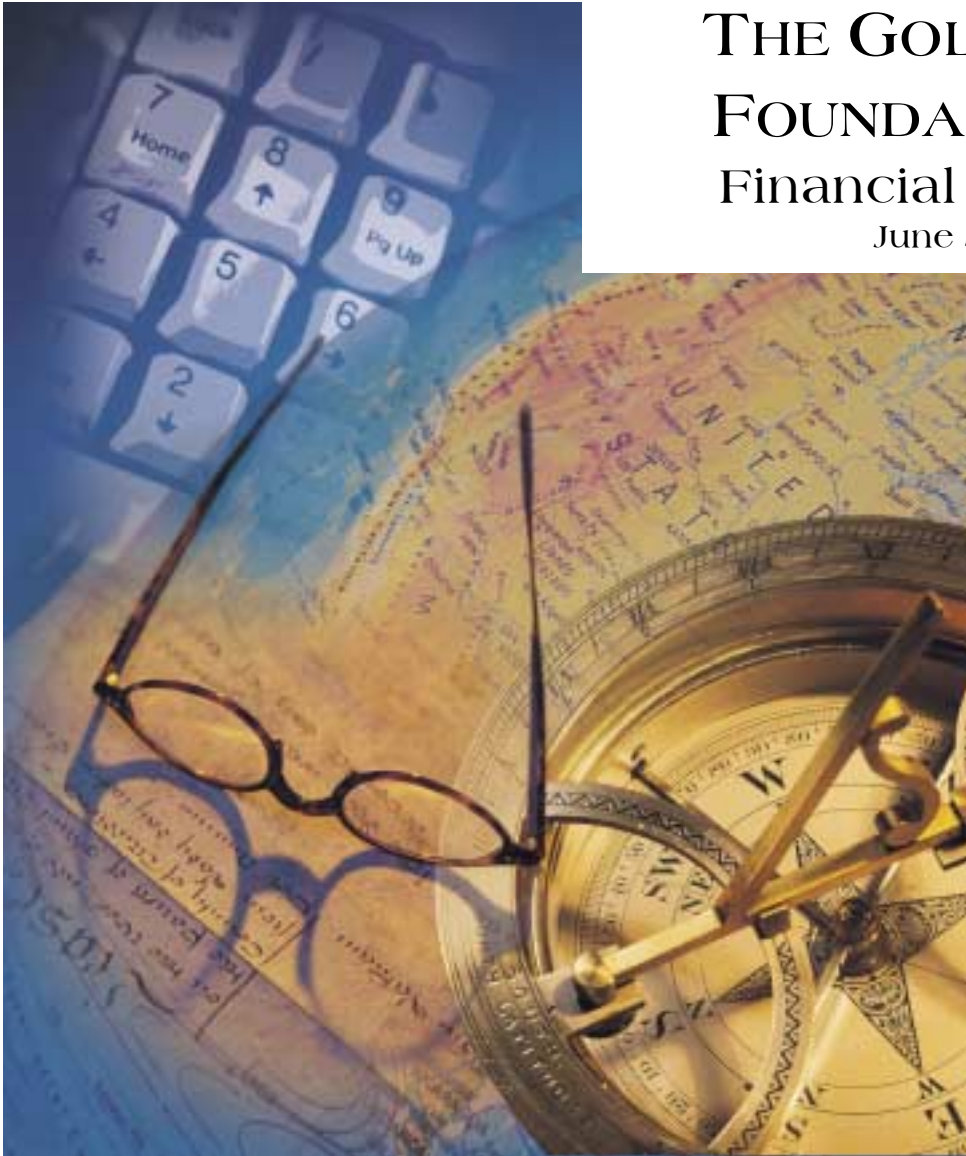


THE GOLDEN RULE  
FOUNDATION, INC.  
Financial Statements  
June 30, 2003



The Golden Rule Foundation  
Inspiring Children to Give to Others

Adding  
*value*  
Building  
*trust*  
Securing  
your *future*

**TEDDER, JAMES, WORDEN & ASSOCIATES, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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AN INDEPENDENTLY OWNED MEMBER OF THE RSM MCGGLADREY NETWORK

**THE GOLDEN RULE FOUNDATION, INC.**

**Financial Statements**

June 30, 2003

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# TEDDER, JAMES, WORDEN & ASSOCIATES, P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

AN INDEPENDENTLY OWNED MEMBER OF THE RSM MCGGLADREY NETWORK

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## Independent Auditors' Report

The Board of Directors of  
The Golden Rule Foundation, Inc.:

We have audited the accompanying statement of financial position of The Golden Rule Foundation, Inc. (the "Foundation") as of June 30, 2003 and the related statements of activities and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Foundation'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 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 The Golden Rule Foundation, Inc. as of June 30, 2003, and the results of its activities and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Tedder, James, Worden & Associates, P.A.*

Orlando, Florida  
August 11, 2003

THE GOLDEN RULE FOUNDATION, INC.

**Statement of Financial Position**

June 30, 2003

**Assets**

Cash and cash equivalents	\$	7,919
Prepaid rent		1,585
Property and equipment, net		<u>5,277</u>
Total assets	\$	<u><u>14,781</u></u>

**Liabilities and Net Assets**

Net assets - unrestricted	\$	<u>14,781</u>
Total liabilities and net assets	\$	<u><u>14,781</u></u>

See accompanying notes to financial statements.

THE GOLDEN RULE FOUNDATION, INC.

**Statement of Activities and Net Assets**

For the year ended June 30, 2003

Support and revenues:	
Contributions	\$ 240,731
In-kind contributions	79,379
Investment earnings	82
Total revenues	<u>320,192</u>
Expenses:	
Program services	242,164
Fundraising	54,874
General and administrative	28,397
Total expenses	<u>325,435</u>
Decrease in net assets - unrestricted	(5,243)
Net assets, beginning of the period	<u>20,024</u>
Net assets, end of the period	<u><u>\$ 14,781</u></u>

See accompanying notes to financial statements.

THE GOLDEN RULE FOUNDATION, INC.

**Statement of Cash Flows**

For the year ended June 30, 2003

Cash flows from operating activities:	
Decrease in net assets	\$ (5,243)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation	2,716
Donated property and equipment	(250)
Increase in prepaid rent	(1,585)
Decrease in accounts payable	(1,687)
	<hr/>
Net cash used in operating activities	(6,049)
 Cash flows from investing activities:	
Purchase of property and equipment	<hr/> (6,784)
	<hr/> (6,784)
Net cash used in investing activities	(6,784)
Decrease in cash and cash equivalents	(12,833)
 Cash and cash equivalents at beginning of period	<hr/> 20,752
Cash and cash equivalents at end of period	<hr/> <hr/> \$ 7,919

See accompanying notes to financial statements.

THE GOLDEN RULE FOUNDATION, INC.

**Notes to Financial Statements**

June 30, 2003

**(1) Organization and Summary of Significant Accounting Policies**

**(a) Organization**

The Golden Rule Foundation, Inc. (the "Foundation") was incorporated in Florida on August 27, 1999. The Foundation's purpose is to inspire children in grades kindergarten through 5, who attend elementary schools in Central Florida, to give to others.

**(b) Financial Statement Presentation**

The Foundation follows Statement of Financial Accounting Standard (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations, issued by the Financial Accounting Standards Board. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Currently, the Foundation has no permanently or temporarily restricted net assets.

**(c) Contributions**

The primary sources of revenues for the Foundation are contributions from individuals and corporations. 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 a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**(d) In-Kind Contributions**

Contributions of non-cash assets are recorded at their fair values in the period received. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation, are recorded at their fair values in the period received.

THE GOLDEN RULE FOUNDATION, INC.

**Notes to Financial Statements**

**(1) Organization and Summary of Significant Accounting Policies, Continued**

**(e) Cash Equivalents**

For financial reporting purposes, the Foundation considers all highly liquid money market funds to be cash equivalents. These funds are valued at their current market values at June 30, 2003 .

**(f) Property and Equipment**

Property and equipment are recorded at cost, or fair value, if the asset is donated. Improvements and betterments are capitalized; repair and maintenance costs are expensed. Depreciation is computed using the straight-line method over the estimated useful lives of the individual assets.

**(g) Advertising and Promotion**

Advertising and promotion costs are expensed as incurred.

**(h) Income Taxes**

The Foundation is a non-profit organization that is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

**(i) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

THE GOLDEN RULE FOUNDATION, INC.

Notes to Financial Statements

**(2) Property and Equipment**

The following is a summary of property and equipment at June 30, 2003:

Office furniture and equipment	\$ 1,748
Software	6,784
Less accumulated depreciation	<u>(3,255)</u>
Total property and equipment	<u>\$ 5,277</u>

Depreciation expense for the current period amounted to \$2,716.

The Foundation has reviewed its long-lived assets for impairment and has determined that no adjustment to the carrying value of long-lived assets is required.

**(3) Functional Expenses**

Functional expenses for the year ended June 30, 2003 were as follows:

	<u>Program Services</u>		<u>Fundraising</u>		<u>General &amp; Administrative</u>		<u>Total</u>
	<u>Direct</u>	<u>Gift in kind</u>	<u>Direct</u>	<u>Gift in kind</u>	<u>Direct</u>	<u>Gift in kind</u>	
Salaries and wages	\$ 87,841	3,000	11,006	-	3,726	-	\$ 105,573
Program awards	61,403	500	-	-	-	-	61,903
Media	-	37,456	-	-	-	-	37,456
Office expenses	4,689	8,223	-	395	11,587	556	25,450
Supplies	13,728	3,366	1,390	-	585	-	19,069
Event services	-	-	9,677	8,040	-	-	17,717
Cost of auctioned items	-	-	13,038	-	-	-	13,038
Food and beverage	-	-	1,222	7,000	-	-	8,222
Legal and professional	-	-	-	-	7,468	-	7,468
Technical services	-	6,280	-	-	-	-	6,280
Teacher scholarships	3,125	3,125	-	-	-	-	6,250
Student scholarships	5,000	-	-	-	-	-	5,000
Transportation	3,388	1,000	-	-	-	-	4,388
Taxes and licenses	-	-	3,019	-	-	-	3,019
Depreciation	-	-	-	-	2,716	-	2,716
Advertising and promotion	-	-	-	-	1,699	-	1,699
Other	-	40	-	87	-	60	187
Subtotal by category	<u>\$ 179,174</u>	<u>62,990</u>	<u>39,352</u>	<u>15,522</u>	<u>27,781</u>	<u>616</u>	<u>\$ 325,435</u>