

KUPONA FOUNDATION
FINANCIAL STATEMENTS

FROM MARCH 3, 2009 (INCEPTION)
TO DECEMBER 31, 2009

KUPONA FOUNDATION

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ACCOUNTANT'S REVIEW REPORT

To the Directors
Kupona Foundation
New York, NY 10028

We have reviewed the accompanying statement of financial position of Kupona Foundation as of December 31, 2009 and the related statements of activities and cash flows for the period March 3, 2009 (Inception) to December 31, 2009, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Kupona Foundation.

A review consists principally of inquiries of organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with U.S. generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with U.S. generally accepted accounting principles.

Tarlow & Co., C.P.A.'s

May 5, 2010
New York, New York

KUPONA FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2009

Assets

Cash and cash equivalents	\$ 17,953
Prepaid rent	1,714
Equipment, net of accumulated depreciation of \$2,361	1,899
Organization costs, net of accumulated amortization of \$5,000	28,192
Startup costs, net of accumulated amortization of \$3,280	-
Rent security deposit	<u>2,800</u>
Total assets	<u>\$ 52,558</u>

Liabilities and Net Assets

Current Liabilities:	
Accrued expenses	\$ 401
Net assets	<u>52,157</u>
Total liabilities and net assets	<u>\$ 52,558</u>

KUPONA FOUNDATION

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE PERIOD MARCH 3, 2009 (INCEPTION) TO DECEMBER 31, 2009

Revenue and Support

Contributions - Unrestricted	\$ 175,664
Interest Income	<u>18</u>

Total revenue and support	<u>175,682</u>
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Expenses

General and administrative:

Salaries	69,999
Rent	12,624
Depreciation and amortization expense	10,641
Payroll Tax Expense	5,997
Travel	4,590
Communications	2,596
Supplies	2,310
Professional fees	1,980
Books and Subscriptions	1,079
Printing and postage	1,083
Bank and payroll fees	1,069
Disability and Workmen's Compensation Insurance	<u>557</u>

Total General and administrative expenses	114,525
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Program expenses	<u>9,000</u>
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Total expenses	<u>123,525</u>
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Increase in net assets	52,157
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Net assets, beginning of period	<u>-</u>
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Net assets, end of period	<u>\$ 52,157</u>
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KUPONA FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE PERIOD MARCH 3, 2009 (INCEPTION)
TO DECEMBER 31, 2009

Cash flows from operating activities

Change in net assets	\$ 52,558
Adjustments to reconcile change in net assets for the year to net cash used by operating activities:	
Depreciation and amortization	10,641
Changes in assets and liabilities:	
Increase in security deposits	(2,800)
Increase in prepaid expenses	<u>(1,714)</u>
Net cash provided by operating activities	<u>58,685</u>
Cash flows used by investing activities:	
Purchase of equipment and software	(4,260)
Organization costs	(33,192)
Startup costs	<u>(3,280)</u>
Net cash used by investing activities	<u>(40,732)</u>
Increase in cash and cash equivalents for the period	17,953
Cash and cash equivalents, beginning of the period	-
Cash and cash equivalents, end of period	<u>\$ 17,953</u>

See accompanying notes and accountant's review report.

KUPONA FOUNDATION**NOTES TO FINANCIAL STATEMENTS****FOR THE PERIOD MARCH 3, 2009 (INCEPTION) TO DECEMBER 31, 2009****NOTE 1 - NATURE OF OPERATIONS**

The Kupona Foundation was incorporated March 3, 2009 and is located in New York, New York. The purpose of this Foundation is to provide financial support through fund raising activities in the United States for particular programs, projects, facilities and activities of the Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) located in Tanzania, which are deemed necessary to achieve the Foundation's charitable goals. During the period, the Foundation provided program related support totaling \$9,000.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**REVENUE RECOGNITION**

Unrestricted support is recorded upon actual receipt of pledged support. As of December 31, 2009, the Foundation had received outstanding financial pledges for unrestricted support from CCBRT (see Note 4). During the period total unrestricted contributions received amounted to \$175,664.

Restricted support is recognized upon actual receipt of pledged support. As of December 31, 2009, the Foundation had no outstanding pledges. During the period the Foundation did not receive any restricted contributions.

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

CASH AND CASH EQUIVALENTS

Cash equivalents are comprised of certain liquid investments with a maturity of three months or less when purchased.

The Foundation maintains cash in bank accounts which, at times, could exceed Federally insured limits. Funds maintained in non-interest bearing accounts in banks participating in the FDIC's Transaction Guarantee Program, are covered by FDIC insurance thru December 31, 2009 for the entire amount in the account. The Foundation has not experienced any losses in such accounts.

The Foundation at times could have a cash overdraft. Cash overdrafts can be a result of short term timing differences.

EQUIPMENT AND DEPRECIATION

The cost of equipment is allocated to income and expense over the estimated useful lives of the respective assets, using depreciation computed by both straight-line and accelerated methods.

KUPONA FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD MARCH 3, 2009 (INCEPTION) TO DECEMBER 31, 2009

INCOME TAXES

The Foundation is formed as a non-profit organization and is exempt from income taxes under section 501 (c) (3) of the Internal Revenue Code. Accordingly, there is no provision for Federal income taxes in the accompanying financial statements. The Foundation could be subject to a Federal excise tax on unrelated business income which includes income earned on investments.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures 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.

NOTE 3 - CONCENTRATIONS

Contributions from two contributors amounted to 99% of total contributions.

NOTE 4 - COMMITMENTS

On March 25, 2009 the Foundation entered into an agreement with Comprehensive Community Based Rehabilitation in Tanzania (CCBRT). In accordance with such agreement the Foundation agrees to conduct fund raising activities in the United States to support the philanthropic activities of CCBRT. Reciprocally, CCBRT agrees to provide financial support to the Foundation in connection with the Foundation's establishment and fiscal activities. The financial support is quantified as 200,000 Euro, in U.S. dollar equivalents, per year for a period of three years, beginning January 1, 2009. The agreement includes certain other conditions which the Foundation must adhere to. Accordingly, noncompliance with such conditions could result in the cancellation of this agreement.