

Hire Heroes USA, Inc.
Audited Financial Statements
June 30, 2010

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors:
Hire Heroes USA, Inc.
Alpharetta, Georgia

We have audited the accompanying statement of financial position of Hire Heroes USA, Inc. (the Organization) as of June 30, 2010 and the related statement of activities 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 sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. 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 Hire Heroes USA, Inc. as of June 30, 2010 and the changes in its net assets and the related statement of activities and statement of cash flows for the year then ended in conformity with generally accepted accounting principles of the United States of America.

BamboSonaikeCPALLC

August 19, 2010

Hire Heroes USA, Inc.
Statement of Financial Position
As of June 30, 2010

Assets

Cash ^(note 2)	\$ 87,669
Funds due from service organization ^(note 4)	19,309
Student loan receivable ^{(net) (note 3)}	<u>211,082</u>
Total assets	<u><u>318,060</u></u>

Net assets

Restricted	-
Unrestricted	318,060
Permanently restricted	<u>-</u>
Total net assets	<u><u>\$ 318,060</u></u>

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

Hire Heroes USA, Inc.
Statement of Activities
For the period ended June 30, 2010

Revenues:	
Contributions	\$ 195,746
Legends Camp ^(note 5)	437,220
Donation in Kind	5,120
Interest income	2,585
Total revenue	<u>640,671</u>
Expenses:	
Program	403,483
Legends Camp ^(note 5)	338,292
Support	94,304
Total expenses	<u>836,079</u>
Increase in unrestricted net assets	<u>(195,408)</u>
Unrestricted net assets at beginning of year	513,468
Temporarily restricted net assets at year end	-
Permanently restricted net assets at year end	-
Net asset at end of the year	<u><u>\$ 318,060</u></u>

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

Hire Heroes USA, Inc.
Statement of Functional Expenses
For the period ended June 30, 2010

	<u>Programs services</u>	<u>Legends Camp</u>	<u>Support services</u>	<u>Total</u>
Staff salaries and benefits	\$ 252,146	\$ -	\$ 63,037	\$ 315,183
Appearance fees	-	123,657	-	123,657
Sponsorships	36,012	-	-	36,012
Transportation	-	3,720	-	3,720
Management fees	26,636	-	6,659	33,295
Administrative	-	-	2,436	2,436
Printing & reproduction	11,608	13,506	2,902	28,016
Postage and delivery	2,538	-	635	3,173
Advertising and promotions	8,359	-	2,090	10,448
Insurance	14,198	-	3,550	17,748
Bank charges	2,425	-	606	3,031
Professional fees	23,839	938	5,960	30,737
Travel expenses	21,625	88,370	5,406	115,401
Rent	4,096	-	1,024	5,120
Auction expenses	-	810	-	810
Uniforms & apparel	-	23,250	-	23,250
Other expenses	-	84,041	-	84,041
Total	<u>\$ 403,483</u>	<u>\$ 338,292</u>	<u>\$ 94,304</u>	<u>\$ 836,079</u>

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

Hire Heroes USA, Inc.
Statement of Cash Flows
For the period ended June 30, 2010

Cash flow from operating activities:

Increase in unrestricted net assets \$ (195,408)

Reconciliation of changes in net assets to net cash provided by operating activities:

Decrease in funds due from service organization 18,856

Decrease in students loan receivable 87,102

Decrease in accrued expenses (9,200)

Decrease in deferred revenue (4,295)

Decrease in other assets (10,813)

Net cash provided by operating activities (113,758)

Net increase in cash (113,758)

Beginning balance of cash 201,427

Ending balance of cash \$ 87,669

Supplemental Disclosure of Cash Flow Information:

Cash paid during the year for interest \$ -

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

Hire Heroes USA, Inc.
Notes to the Financial Statements
For the period ended June 30, 2010

1. Nature of operation

Hire Heroes USA, Inc. "The Organization" is a mission-focused, 501(c)(3) not-for-profit organization incorporated in the State of Missouri on September 27, 1990 as Health Careers Foundation. The Organization formerly changed its name from Health Careers Foundation on April 19, 2010.

The Organization's mission is to provide career placement assistance to all returning service men and women. The Organization serves all veterans from all branches of the military by providing transition assistance to Operation Iraqi Freedom and Operation Enduring Freedom veterans, specializing in the career placement of those injured or with any level of disability.

2. Significant accounting policies

Basis of accounting and financial statements presentation

The financial statements are reported using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized when the liability is incurred.

The Organization's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

The financial statements follow the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, Not-for-Profit Entities, section 205, Presentation of Financial Statements of Not-for-Profit Organizations. Under section 205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted net assets

These are assets that are not subject to donor imposed or grantor-imposed restrictions. As of June 30, 2010, all the Organization's resources are unrestricted and as such are available for use.

Temporarily restricted assets

These are assets that are subject to donor imposed or grantor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. During 2010, the Organization had no temporarily restricted net assets.

Permanently restricted net assets

These are assets subject to donor imposed or grantor imposed stipulations permanently by the Organization. Generally, the donors and grantors of these assets permit an Organization to use all or part of the income earned on any related investments for general or specific purposes. During 2010, the Organization had no permanently restricted net assets.

Hire Heroes USA, Inc.
Notes to the Financial Statements
For the period ended June 30, 2010

Cash and cash equivalent

Cash consists of checking accounts held at the financial institution. For the period ended June 30, 2010, the cash balance was \$87,669.

Contributions

Contributions of assets other than cash, if any, are recorded at estimated fair value.

Income taxes

The Organization is a not-for-profit entity under section 501(C) (3) of the Internal Revenue Code and is not subject to federal or state income taxes.

Use of estimates

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transaction and events as of the date of the financial statement. Accordingly, upon settlement, actual results may differ from estimated amounts.

Revenue recognition

The Organization recognizes revenue primarily in the form of donations from corporation, individuals and fundraising event activities. Revenues are recognized when donations and contributions are received.

Functional allocation of expenses

The costs of providing the programs and activities of the Organization have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among program services and support services.

3. Student loans receivable

Student loan receivables were generated when the Organization provided educational assistance to students in the form of student loans. The loan awards are interest free to the students while they attend college and accrue interest at the rate of 4% per annum beginning six months after graduation. The Organization has ended the student loan program.

Student loan receivables are stated at the amount management expects to collect on outstanding balances. Management provides for estimated uncollectible amounts through a provision for uncollectible loans and adjustment to a valuation allowance based on its assessment on the current status of individual accounts. Balances that are still outstanding after management has used all reasonable collection efforts are written off through a charge to the uncollectible allowance. As of June 30, 2010 student loan receivable balance was \$211,082 net of uncollectable allowance of \$149,023.

Hire Heroes USA, Inc.
Notes to the Financial Statements
For the period ended June 30, 2010

4. Service organization

The Organization has contracted with a service organization to administer its scholarship awards and student loan program. As part of the agreement, the service organization manages student loan and the scholarship payment process. Total amount due from service organization as of June 30, 2010 was \$19,309 and total amount of fees paid to service organization during June 30, 2010 was \$33,295.

5. Legends Camp

The St. Louis Cardinals Legends Camp (SLCLC) is an annual 5 day / 4 night event in Jupiter, Florida, where on average, 80 participants enjoy a host of activities alongside previous St. Louis Cardinals players. Event participants select from two different package options: Big League or VIP. Camper package fees and corporate sponsorships pay for all SLCLC expenses, to include: hospitality and lodging, transportation, uniforms, videos, photographs, appearance fees, equipment, and staff. While net proceeds from the event benefit The Organization, SLCLC is entirely funded through participant fees and corporate. The Organization does not spend any portion of the donated funds to plan, organize, or run the camp. The details of the SLCLC activities have been presented as a separate program on the statement of functional expenses. For the period ended June 30, 2010 \$437,220 was received and \$338,292 was spent for a net donation of \$98,928 from the SLCLC to The Organization.

6. Subsequent Events

There were no subsequent events as of the audit report date.