

Quarterly Financial Statements

PERIOD ENDING

December 31, 2011

CEA-H.O.W. Inc.
World Service Office



CONFIDENTIAL

CEA-HOW World Service Office
Balance Sheet
As of December 31, 2011

| | <u>Dec 31, 11</u> | |
|--|--------------------------|----------------------------|
| ASSETS | | |
| Current Assets | | |
| Checking/Savings | | |
| 101 · Wells Fargo Business Ck 3620 | 29,316.65 | |
| 102 · Wells Fargo Saving HYield-5530 | 26,429.24 | |
| 102-1 Prudent Reserved | 57,475.73 | |
| 103 · PayPal Online Savings Account | 5,068.84 | |
| 105 · PayPal Convention Account | 216.04 | |
| Total Checking/Savings | <u>118,506.50</u> | ▶ Total cash on hand |
| Other Current Assets | | |
| 140 · Literature Inventory | 3,187.34 | |
| 142 · Specialty Items Inventory | 643.04 | |
| 144 · Support Structures Inventory | 124.16 | |
| Total Other Current Assets | <u>3,954.54</u> | ▶ Total to-date inventory |
| Total Current Assets | <u>122,461.04</u> | |
| Fixed Assets | | |
| 164 · Brother MFC-997 OCDW All in one | | |
| 165 · Depreciation Brother MFC-997 | -267.03 | |
| 164 · Brother MFC-997 OCDW All in one - Other | 1,068.04 | |
| Total 164 · Brother MFC-997 OCDW All in one | <u>801.01</u> | |
| 162 · Equipment - Computer System | | |
| 163 · Depreciation - Computer System | -325.08 | |
| 162 · Equipment - Computer System - Other | 650.29 | |
| Total 162 · Equipment - Computer System | <u>325.21</u> | |
| Total Fixed Assets | <u>1,126.22</u> | ▶ Total equipment worth |
| TOTAL ASSETS | <u><u>123,587.26</u></u> | |
| LIABILITIES & EQUITY | | |
| Liabilities | | |
| Current Liabilities | | |
| Credit Cards | | |
| 226 · - Stamps.com Account | 6.22 | |
| 220 · Wells Fargo Visa A/C | 1,110.86 | |
| Total Credit Cards | <u>1,117.08</u> | |
| Other Current Liabilities | | |
| 230 · Federal Payroll Liabilities | 2,867.76 | |
| 235 · State Payroll Liabilities | 626.32 | |
| 250 · Sales Tax Payable | 545.63 | |
| 255 · Area Assistance Donations | 1,839.17 | |
| Total Other Current Liabilities | <u>5,878.88</u> | |
| Total Current Liabilities | <u>6,995.96</u> | ▶ Total amount owing |
| Total Liabilities | <u>6,995.96</u> | |
| Equity | | |
| 302 · Retained Earnings | 116,361.17 | |
| Net Income | 230.13 | ▶ Total Profit for the Yr. |
| Total Equity | <u>116,591.30</u> | |
| TOTAL LIABILITIES & EQUITY | <u><u>123,587.26</u></u> | ▶ Total Company's worth |

CEA-HOW World Service Office
Contributions and Purchases by Intergroup
October through December 2011

| | AFFILIATED GROUPS | % OF GROUPS | CONTRIBUTIONS | | PURCHASES | |
|---|----------------------|----------------|-----------------|---------------|-----------------|---------------|
| | | | Oct - Dec 11 | % of Total | Oct - Dec 11 | % of Total |
| UNAFFILIATED GROUPS | 25 | 4.35% | 0.00 | 0.0% | 73.00 | 1.51% |
| PayPal | 0 | 0.0% | 283.22 | 3.44% | 777.50 | 16.04% |
| Convention | 0 | 0.0% | 0.00 | 0.0% | 0.00 | 0.0% |
| 99999 - Anonymous | 0 | 0.0% | 75.00 | 0.91% | 0.00 | 0.0% |
| 90099 - SOUTHERN CALIFORNIA INTERGROUP | 125 | 21.74% | 2,709.67 | 32.89% | 1,237.50 | 25.53% |
| 90101 - CEA-HOW OF SAN DIEGO | 21 | 3.65% | 0.00 | 0.0% | 285.00 | 5.88% |
| 90102 - NW CEA VANCOUVER, WA | 8 | 1.39% | 0.00 | 0.0% | 0.00 | 0.0% |
| 90104 - LAS VEGAS INTERGROUP | 45 | 7.83% | 313.69 | 3.81% | 657.50 | 13.56% |
| 90106 - FLORIDA INTERGROUP | 14 | 2.44% | 30.00 | 0.36% | 0.00 | 0.0% |
| 90108 - ISRAEL INTERGROUP | 6 | 1.04% | 0.00 | 0.0% | 0.00 | 0.0% |
| 90110 - MEXICO INTERGROUP | 77 | 13.39% | 0.00 | 0.0% | 0.00 | 0.0% |
| 90113 - AUSTRALIA INTERGROUP | 2 | 0.35% | 0.00 | 0.0% | 0.00 | 0.0% |
| 90115 - NEW YORK INTERGROUP | 10 | 1.74% | 89.00 | 1.08% | 101.25 | 2.09% |
| 90117 - AAA SEATTLE INTERGROUP | 1 | 0.17% | 0.00 | 0.0% | 0.00 | 0.0% |
| 90119 - DALLAS FORT WORTH INTERGROUP | 12 | 2.09% | 411.01 | 4.99% | 0.00 | 0.0% |
| 90122 - MICHIANA INTERGROUP | 8 | 1.39% | 45.00 | 0.55% | 0.00 | 0.0% |
| 90123 - SAN FERNANDO VALLEY INTERGROUP | 44 | 7.65% | 1,600.88 | 19.43% | 251.25 | 5.18% |
| 90124 - MONTEREY BAY AREA INTERGROUP | 3 | 0.52% | 0.00 | 0.0% | 0.00 | 0.0% |
| 90125 - NORTH TEXAS INTERGROUP | 6 | 1.04% | 0.00 | 0.0% | 0.00 | 0.0% |
| 90126 - OKLAHOMA INTERGROUP | 5 | 0.87% | 53.40 | 0.65% | 465.50 | 9.6% |
| 90130 - RIO RECOVERY OF NM INTERGROUP | 7 | 1.22% | 24.63 | 0.3% | 0.00 | 0.0% |
| 90131 - INTERMOUNTAIN INTERGROUP | 5 | 0.87% | 0.00 | 0.0% | 0.00 | 0.0% |
| 90134 - SAN BERNARDINO/RIVERSIDE COUNTIE: | 15 | 2.61% | 0.00 | 0.0% | 210.00 | 4.33% |
| 90135 - PENNSYLVANIA INTERGROUP | 9 | 1.57% | 83.91 | 1.02% | 128.25 | 2.65% |
| 90136 - VIRGINIA INTERGROUP | 3 | 0.52% | 0.00 | 0.0% | 0.00 | 0.0% |
| 90137 - KERN COUNTY INTERGROUP | 16 | 2.78% | 150.00 | 1.82% | 0.00 | 0.0% |
| 90139 - LOS ANGELES INTERGROUP | 12 | 2.09% | 379.93 | 4.61% | 204.00 | 4.21% |
| 90140 - PHONE BRIDGE INTERGROUP | 64 | 11.13% | 1,689.13 | 20.5% | 231.25 | 4.77% |
| 90141 - GREAT LAKES CEA-HOW | 20 | 3.48% | 175.90 | 2.14% | 162.50 | 3.35% |
| 90142 - CEA-HOW NORTHERN COLORADO IG | 12 | 2.09% | 124.33 | 1.51% | 62.75 | 1.3% |
| TOTAL | 575 | 100.0% | 8,238.70 | 100.0% | 4,847.25 | 100.0% |

CEA-HOW World Service Office
Profit and Loss Projection Report
 July through December 2011

| | Actual | Actual | Total | 2010 | % of Actual | Budget | Average |
|-------------------------------------|-------------------------|-------------------------|-------------------|------------------|----------------|-------------------|------------------|
| | 1 st Qrt '11 | 2 nd Qrt '11 | Jul '11 - Dec '11 | July - Dec | to Projected | Jul 11-Jun 12 | by month |
| INCOME | | | | | | | |
| 400 · Contributions Income | 8,397.82 | 8,184.70 | 16,582.52 | 35,553.77 | 36.05% | 46,000.00 | 3,833.33 |
| 402 · Contributions Gratitude month | 20.00 | 61.00 | 81.00 | 0.00 | 4.76% | 1,700.00 | 141.67 |
| 402 · Literature | 10,130.77 | 3,997.75 | 14,128.52 | 8,981.56 | 83.11% | 17,000.00 | 1,416.67 |
| 403 · Cassette Sales | -49.00 | 0.00 | -49.00 | 0.00 | 0.00% | 0.00 | 0.00 |
| 404 · Spanish Literature Sales | 730.75 | 257.50 | 988.25 | 860.25 | 49.41% | 2,000.00 | 166.67 |
| 406 · Shipping Income | 850.30 | 601.88 | 1,452.18 | 1,430.87 | 58.09% | 2,500.00 | 208.33 |
| 410 · Support Structures | 6.00 | 14.00 | 20.00 | 37.40 | 40.00% | 50.00 | 4.17 |
| 412 · Cookbooks | 910.00 | 578.00 | 1,488.00 | 1,038.00 | 74.40% | 2,000.00 | 166.67 |
| 415 · Convention Income | 39,032.76 | 96.95 | 39,129.71 | 36,997.51 | 105.76% | 37,000.00 | 3,083.33 |
| 416 · Conference Income | 3,990.00 | 0.00 | 3,990.00 | 4,085.00 | 99.75% | 4,000.00 | 333.33 |
| 450 · Interest Income | 26.06 | 53.48 | 79.54 | 25.64 | 198.85% | 40.00 | 3.33 |
| Total Income | 64,045.46 | 13,845.26 | 77,890.72 | 89,010.00 | 69.37% | 112,290.00 | 9,357.50 |
| COST OF GOODS SOLD | | | | | | | |
| 500 · Purchase of Literature | 4,501.36 | 2,579.52 | 7,080.88 | 2,994.91 | 101.16% | 7,000.00 | 583.33 |
| 503 · Discounts & Allowances | 159.25 | 0.00 | 159.25 | 97.00 | 79.63% | 200.00 | 16.67 |
| 515 · Convention Accrued | 18,108.76 | 0.00 | 18,108.76 | 15,272.11 | 103.48% | 17,500.00 | 1,458.33 |
| 516 · Conference Accrued | 4,072.39 | 0.00 | 4,072.39 | 4,467.34 | 90.50% | 4,500.00 | 375.00 |
| Total COGS | 26,841.76 | 2,579.52 | 29,421.28 | 22,831.36 | 100.76% | 29,200.00 | 2,433.33 |
| Gross Profit | 37,203.70 | 11,265.74 | 48,469.44 | 66,178.64 | 58.33% | 83,090.00 | 6,924.17 |
| EXPENSES | | | | | | | |
| 705 · WSO Board Travel/Hotel | 5,962.82 | 0.00 | 5,962.82 | 5,915.54 | 99.38% | 6,000.00 | 500.00 |
| 708 · Convention Expense | 5,501.75 | 0.00 | 5,501.75 | 7,176.72 | 73.36% | 7,500.00 | 625.00 |
| 709 · Conference Expense | 2,379.95 | 0.00 | 2,379.95 | 2,861.69 | 158.66% | 1,500.00 | 125.00 |
| 802 · Shipping Expense | 385.23 | 304.42 | 689.65 | 760.12 | 38.31% | 1,800.00 | 150.00 |
| 902 · Rent | 2,097.00 | 2,097.00 | 4,194.00 | 4,194.00 | 41.94% | 10,000.00 | 833.33 |
| 904 · Bank Service Charges | 70.68 | 32.00 | 102.68 | 94.00 | 46.67% | 220.00 | 18.33 |
| 905 · Merchant Fees (PayPal) | 60.61 | 67.68 | 128.29 | 127.34 | 42.76% | 300.00 | 25.00 |
| 906 · Payroll Expenses | 8,282.50 | 10,620.51 | 18,903.01 | 15,085.02 | 31.53% | 59,950.00 | 4,995.83 |
| 907 · P/R tax Expense | 996.87 | 993.45 | 1,990.32 | 1,241.67 | 30.60% | 6,504.58 | 542.05 |
| 908 · Office Supplies & Expenses | 1,095.30 | 2,281.91 | 3,377.21 | 939.37 | 112.57% | 3,000.00 | 250.00 |
| 910 · Insurance | 0.00 | 800.00 | 800.00 | 1,266.00 | 32.00% | 2,500.00 | 208.33 |
| 915 · Telephone | 359.04 | 240.18 | 599.22 | 899.87 | 39.95% | 1,500.00 | 125.00 |
| 917 · Tax Filing fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 50.00 | 4.17 |
| 925 · Utilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 500.00 | 41.67 |
| 930 · Accounting Fees | 0.00 | 0.00 | 0.00 | 500.00 | 0.00% | 500.00 | 41.67 |
| 931 · Professional and Legal Fees | 3150.00 | 0.00 | 3,150.00 | 3,840.00 | 63.00% | 5,000.00 | 416.67 |
| 940 · Postage | 112.14 | 61.89 | 174.03 | 89.88 | 34.81% | 500.00 | 41.67 |
| 942 · Worker's Comp. Ins. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 533.00 | 44.42 |
| 945 · Depreciation Expense | 143.19 | 143.19 | 286.38 | 108.36 | 50.00% | 572.76 | 47.73 |
| Total Expenses | 30,597.08 | 17,642.23 | 48,239.31 | 45,099.58 | 44.49% | 108,430.34 | 9,035.86 |
| Net Proceeds | 6,606.62 | -6,376.49 | 230.13 | 21,079.06 | -0.91% | -25,340.34 | -2,111.70 |