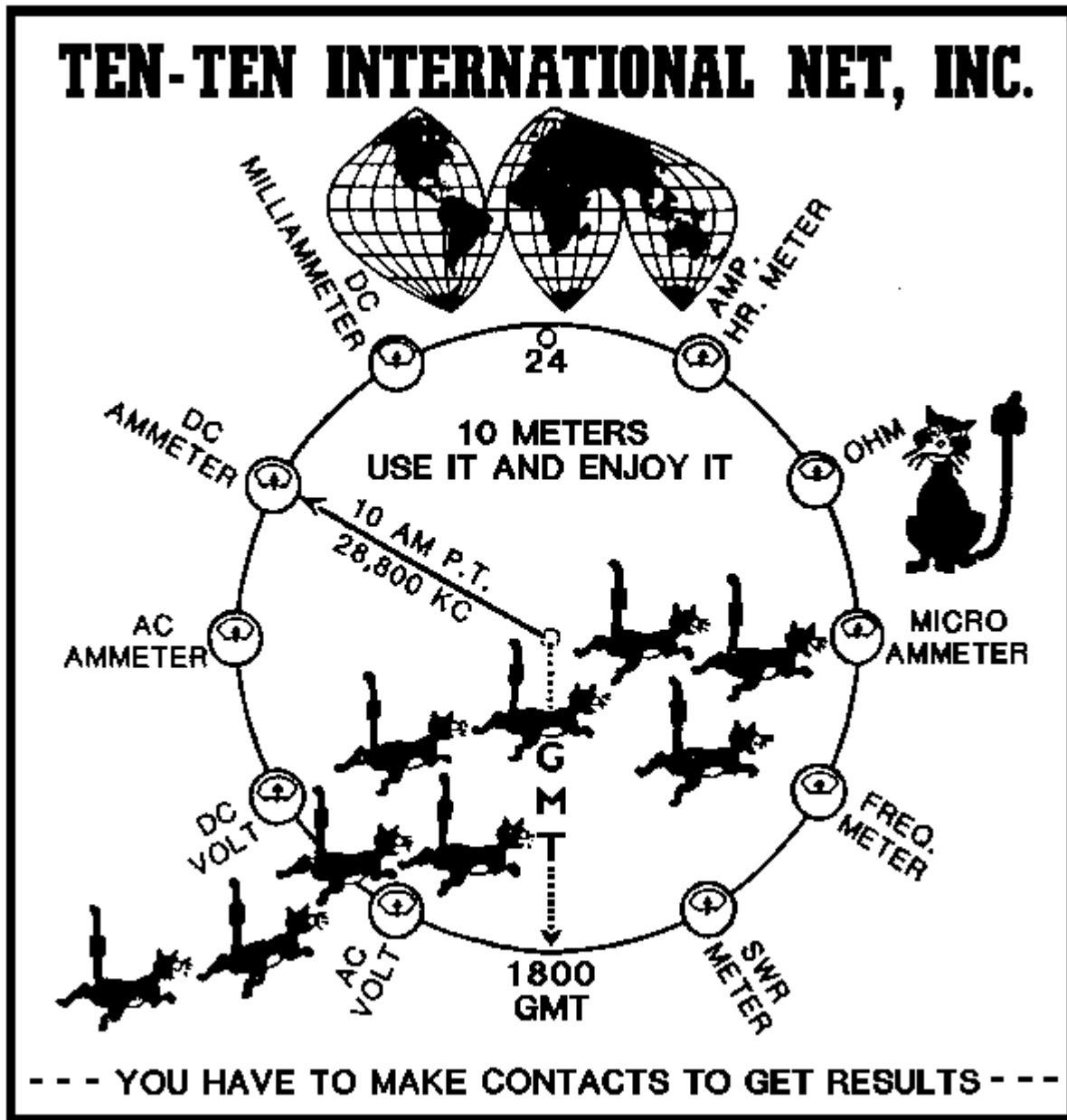


2011 ANNUAL FINANCIAL REPORT



*reviewed by the Board of Directors
July 20, 2011
St. Louis, Missouri*

TEN - TEN INTERNATIONAL NET, INC.

TABLE OF CONTENTS

Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Cash Flows.....	5
Footnotes to Financial Statements.....	6 - 9
Proposed Budgets.....	10
Graphical Analysis.....	11

TEN - TEN INTERNATIONAL NET, INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2011

ASSETS

Current Assets:

Cash and Equivalents (Note 2)	\$ 58,615
Accrued Interest	<u>5,844</u>
Total Current Assets	64,459
Investments in Certificates of Deposit (Note 3)	<u>425,000</u>
Total Assets	\$ <u>489,459</u>

LIABILITIES & NET ASSETS

Current Liabilities:

Accounts Payable	\$ 2,626
Deferred Convention Revenue	974
Deferred Membership Dues (Note 4)	<u>55,071</u>
Total Current Liabilities	58,671
Deferred Membership Dues – Long Term (Note 4)	<u>241,948</u>
Total Liabilities	300,619
Net Assets – Unrestricted	<u>188,840</u>
Total Liabilities & Net Assets	\$ <u>489,459</u>

TEN - TEN INTERNATIONAL NET, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED MARCH 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND CONTRIBUTIONS:			
Membership Dues	\$ 51,710	\$ -	\$ 51,710
Royalties	6	-	6
Interest	<u>14,662</u>	<u>-</u>	<u>14,662</u>
Total Revenues and contributions	<u>66,378</u>	<u>-</u>	<u>66,378</u>
EXPENDITURES:			
Programs and Member Services:			
Newsletter Publication	28,909	-	28,909
Conventions and Hamfests	3,156	-	3,156
Other Printing and Postage	4,685	-	4,685
Data Processing and Internet	1,547	-	1,547
Other Operating Expenses	<u>783</u>	<u>-</u>	<u>783</u>
Total Programs / Member Services	39,080	-	39,080
Administration:			
Advertising	2,401	-	2,401
Board Meeting Expenses	9,657	-	9,657
Directors / Officers Expenses	2,915	-	2,915
Bank Fees, Taxes and Licenses	1,632	-	1,632
Liability Insurance	<u>1,350</u>	<u>-</u>	<u>1,350</u>
Total Administration	<u>17,955</u>	<u>-</u>	<u>17,955</u>
Total Expenditures	<u>57,035</u>	<u>-</u>	<u>57,035</u>
Surplus from Operations	<u>9,343</u>	<u>-</u>	<u>9,343</u>
Net Assets, beginning of year	<u>210,546</u>	<u>-</u>	<u>210,546</u>
Change in Net Assets Resulting from Estimated Deferred Revenues	(31,049)	<u>-</u>	(31,049)
Net Assets, March 31, 2011	\$ <u>188,840</u>	\$ <u>-</u>	\$ <u>188,840</u>

TEN - TEN INTERNATIONAL NET, INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Surplus from Operations	\$	9,343
Adjustments to reconcile surplus from operations		
To net cash provided by operating activities:		
Decrease in accrued interest		2,339
Decrease in deposits		2,815
Increase in accounts payable		2,544
Increase in deferred convention revenue		<u>974</u>
Net cash provided by operating activities		18,015

CASH FLOWS FROM INVESTING ACTIVITIES:

Redemption of matured certificates of deposit		155,000
Purchase of certificates of deposit		<u>(170,000)</u>
Net cash used by investing activities		<u>(15,000)</u>

Net increase in cash and equivalents 3,015

Cash and equivalents, beginning of year 55,600

Cash and equivalents, March 31, 2011 \$ 58,615

TEN - TEN INTERNATIONAL NET, INC.

FOOTNOTES TO FINANCIAL STATEMENTS MARCH 31, 2011

1) Organization and Significant Accounting Policies

Ten - Ten International Net, Inc. ("Ten - Ten") is a not-for-profit organization incorporated under the laws of the State of California. Since 1962 its purpose has been to promote activity and good operating practice on the ten meter amateur radio band. Members receive a unique "10-10 Number" upon joining the organization and become eligible to participate in various operating activities. A quarterly magazine, the *10-10 International News*, is mailed worldwide to current members and is also made available via the internet.

Significant accounting policies followed in the preparation of the accompanying financial statements are as follows:

Income Tax

Ten - Ten is exempt from federal income taxes under Internal Revenue Code Section 501(c)(4). An informational tax return is required to be filed annually.

Donations and Volunteer Contributions

Cash donations are forwarded to the 10-10 International Net Scholarship Foundation, a separate 501(c)(3) charitable organization. The organization does not solicit cash donations. Ten - Ten receives substantial support from volunteers, who serve without compensation. These volunteers provide administrative functions and also supply the use of certain assets such as computers. No amounts have been recognized in the accompanying financial statements for such support.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

TEN - TEN INTERNATIONAL NET, INC.

FOOTNOTES TO FINANCIAL STATEMENTS MARCH 31, 2011

Cash and Equivalents

For purposes of the statement of cash flows, the organization considers all investments with original maturity dates of 3 months or less to be cash equivalents.

2) Cash and Equivalents

Ten - Ten maintains several checking and market interest accounts, as well as a PayPal market rate account.

Petty cash represents amounts held by certain volunteer managers. Most of these managers hold approximately \$50 in petty cash. Expenses incurred on behalf of Ten - Ten, such as postage and photocopying, are paid out of the petty cash. The managers submit expense reports to the Treasurer monthly and if necessary, a check is written to the manager to replenish their petty cash fund.

Cash and equivalents as of March 31, 2011 consisted of the following:

Petty cash funds held by managers	\$ 642
PayPal money market fund (current interest at 0.05%)	685
Wells Fargo Bank - operating account, Tucson, AZ (non-interest bearing)	2,287
Wells Fargo Bank - market interest account, Tucson, AZ (current interest at 0.05%)	2,975
Edward Jones & Co. - Passport Money Market Maryland Heights, MO (current interest at 0.01%)	50,991
US Bank - old member dues deposit account, Omaha, NE (current interest at 0.01%)	<u>1,035</u>
Total cash in accounts	<u>\$ 58,615</u>

TEN - TEN INTERNATIONAL NET, INC.

FOOTNOTES TO FINANCIAL STATEMENTS MARCH 31, 2011

3) Investments

The organization invests cash that is not expected to be used within the next six months in certificates of deposit. Certificates of deposit are used in order to maintain a relatively liquid investment with an emphasis on safety. The CD's are federally insured and are held in a brokerage account. Maturities of most of the CD's are staggered over a 5-year period to hedge against shifts in market interest rates. Since the intent of the Organization is to hold the certificates to maturity, amounts reported reflect face value which does not necessarily equal current market value. Certificates of deposit at March 31, 2011 are as follows:

	<u>Face Value</u>	<u>Market Value</u>
Bank of Baroda, matures Nov, 2011 Interest @ 0.90%, paid semi-annually	90,000	90,114
Washington Mutual, matures Oct, 2012 Interest @ 4.95%, paid semi-annually	80,000	83,400
GE Money Bank, matures Oct, 2013 Interest @ 5.00%, paid semi-annually	85,000	88,315
Citibank, matures Oct, 2014 Interest @ 3.10%, paid semi-annually	90,000	91,440
Ally Bank, matures Oct, 2015 Interest @ 2.00%, paid semi-annually	<u>80,000</u>	<u>79,306</u>
Total certificates of deposit	\$ <u>425,000</u>	\$ <u>432,575</u>

TEN - TEN INTERNATIONAL NET, INC.

FOOTNOTES TO FINANCIAL STATEMENTS MARCH 31, 2011

4) Deferred Membership Dues

The liability for deferred membership dues in the accompanying statement of financial position represents an estimate of the amount of the organization's assets necessary to provide future member benefits to life members as well as members who have prepaid their dues. For Life memberships the deferred dues obligation was calculated using three significant assumptions: Estimated life expectancy, projected rate of return on invested assets, and projected inflation rates.

Deferred Membership Dues as of March 31, 2011 consisted of the following:

Deferred Life Membership Dues	\$ 227,914
Deferred Term Membership Dues	<u>69,105</u>
Total Deferred Membership Dues	297,019
Less amount to be recognized as Revenue in the next year (current portion)	<u>55,071</u>
Deferred Membership Dues – Long Term	\$ <u>241,948</u>

TEN - TEN INTERNATIONAL NET, INC.

PROPOSED BUDGETS

REVENUES AND CONTRIBUTIONS:

	<u>2011 - 2012</u>	<u>2012 - 2013</u>
Membership Dues	\$ 65,000	\$ 65,000
Miscellaneous	500	100
Interest	<u>13,000</u>	<u>12,000</u>
Total Revenues and Contributions	78,500	77,100

EXPENDITURES:

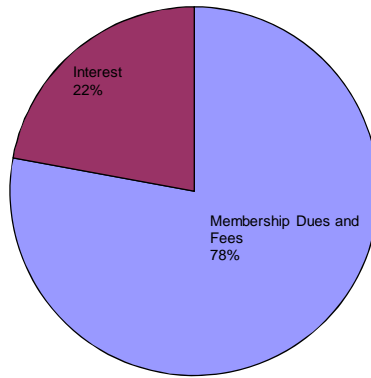
Newsletter Publication	36,000	30,000
Awards and Contests	1,300	300
Advertising	10,000	5,000
QSL and SK Managers	700	500
Dayton and hamfests	10,000	10,000
Convention	-	-
Other Printing and Postage	4,000	4,000
Internet and Website Fees	1,500	1,500
Data Processing and Treasurer	5,000	5,000
Bank Fees, Taxes and Licenses	1,800	1,800
Other Operating Expenses	3,000	3,000
Board Meeting Expenses	8,000	9,000
Officers & Directors	5,000	5,000
Liability Insurance	<u>2,500</u>	<u>2,000</u>
Total Expenditures	<u>88,800</u>	<u>77,100</u>
BUDGETED CHANGE IN NET ASSETS	<u>\$(10,300)</u>	<u>\$ 0</u>

TEN - TEN INTERNATIONAL NET, INC.

Graphical Analysis

FOR THE YEAR ENDED MARCH 31, 2011

WHERE IT CAME FROM



WHERE IT WENT

