

**JON BON JOVI SOUL FOUNDATION
(FORMERLY THE PHILADELPHIA SOUL
CHARITABLE FOUNDATION)**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

**JON BON JOVI SOUL FOUNDATION
(FORMERLY THE PHILADELPHIA SOUL CHARITABLE FOUNDATION)
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YEARS ENDED DECEMBER 31, 2009 AND 2008**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Jon Bon Jovi Soul Foundation
(Formerly the Philadelphia Soul Charitable Foundation)
Philadelphia, Pennsylvania

We have audited the accompanying statements of financial position of Jon Bon Jovi Soul Foundation (a nonprofit organization) as of December 31, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years 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 audits.

We conducted our audits in accordance with U. S. generally accepted auditing standards. 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 audits provide 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 Jon Bon Jovi Soul Foundation as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

LarsonAllen LLP
LarsonAllen LLP

Blue Bell, Pennsylvania
March 22, 2010

**JON BON JOVI SOUL FOUNDATION
(FORMERLY THE PHILADELPHIA SOUL CHARITABLE FOUNDATION)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2009 AND 2008**

| | 2009 | 2008 |
|---------------------------------------|---------------------|---------------------|
| ASSETS | | |
| Cash | \$ 1,270,423 | \$ 1,520,167 |
| Contributions Receivable | 64,291 | - |
| Prepaid Expenses | 2,262 | 2,261 |
| Equipment | 627 | 1,310 |
| Website Development Costs | - | 833 |
| | \$ 1,337,603 | \$ 1,524,571 |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Accounts Payable and Accrued Expenses | \$ 11,577 | \$ 2,280 |
| Due to AFL Philadelphia, LLC | - | 14,374 |
| Total Liabilities | 11,577 | 16,654 |
| NET ASSETS | | |
| Unrestricted | 1,326,026 | 1,507,917 |
| Total Net Assets | 1,326,026 | 1,507,917 |
| Total Liabilities and Net Assets | \$ 1,337,603 | \$ 1,524,571 |

See accompanying Notes to Financial Statements.

**JON BON JOVI SOUL FOUNDATION
(FORMERLY THE PHILADELPHIA SOUL CHARITABLE FOUNDATION)
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2009 AND 2008**

| | 2009 | | 2008 | | |
|---------------------------------------|--------------|------------------------|--------------|------------------------|--------------|
| | Unrestricted | Temporarily Restricted | Total | Temporarily Restricted | Total |
| SUPPORT AND REVENUE | | | | | |
| Contributions | \$ 413,029 | \$ 36,850 | \$ 449,879 | \$ 50,000 | \$ 1,171,012 |
| Special Events | - | - | - | - | 7,850 |
| Investment Income | 9,755 | - | 9,755 | - | 27,610 |
| Donated Services | 570 | - | 570 | - | 3,943 |
| Net Assets Released From Restrictions | 36,850 | (36,850) | - | (50,500) | - |
| Total Support and Revenue | 460,204 | - | 460,204 | (500) | 1,210,415 |
| EXPENSES | | | | | |
| Program Services | 598,570 | - | 598,570 | - | 659,747 |
| Support Services | 43,525 | - | 43,525 | - | 47,541 |
| Total Expenses | 642,095 | - | 642,095 | - | 707,288 |
| CHANGE IN NET ASSETS | (181,891) | - | (181,891) | (500) | 503,127 |
| Net Assets - Beginning of Year | 1,507,917 | - | 1,507,917 | 500 | 1,004,790 |
| NET ASSETS - END OF YEAR | \$ 1,326,026 | \$ - | \$ 1,326,026 | \$ - | \$ 1,507,917 |

See accompanying Notes to Financial Statements.

**JON BON JOVI SOUL FOUNDATION
(FORMERLY THE PHILADELPHIA SOUL CHARITABLE FOUNDATION)
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2009 AND 2008**

| | 2009 | | | 2008 | | | | |
|-------------------------------|------------------|--|----------------------------------|----------------|------------------|--|----------------------------------|----------------|
| | Program Services | Supporting Services Management & General | Supporting Services Fund Raising | Total Expenses | Program Services | Supporting Services Management & General | Supporting Services Fund Raising | Total Expenses |
| Salaries and Payroll Taxes | \$ 90,852 | \$ 11,903 | \$ 10,603 | \$ 113,358 | \$ 63,697 | \$ 22,749 | \$ 4,550 | \$ 90,996 |
| Grant Expense | 493,976 | - | - | 493,976 | 578,750 | - | - | 578,750 |
| Kitchen Program | 5,477 | - | - | 5,477 | - | - | - | - |
| Professional Fees | - | 7,820 | 525 | 8,345 | - | 7,525 | - | 7,525 |
| Donated Services - Legal | - | 570 | - | 570 | - | 3,943 | - | 3,943 |
| Supplies and Meals | 1,113 | 726 | - | 1,839 | 3,857 | 125 | - | 3,982 |
| Occupancy | - | 2,188 | 216 | 2,404 | - | - | - | - |
| Postage | - | 168 | - | 168 | - | 69 | - | 69 |
| Travel | 4,507 | 894 | 153 | 5,554 | 11,833 | 841 | - | 12,674 |
| Marketing | - | 2,060 | - | 2,060 | - | 1,276 | 1,275 | 2,551 |
| Insurance | - | 3,015 | - | 3,015 | - | 2,676 | - | 2,676 |
| Memberships | 2,645 | - | - | 2,645 | 1,610 | - | - | 1,610 |
| Fees | - | - | 1,134 | 1,134 | - | - | - | - |
| Miscellaneous | - | 33 | - | 33 | - | 162 | - | 162 |
| | 598,570 | 29,377 | 12,631 | 640,578 | 659,747 | 39,366 | 5,825 | 704,938 |
| Depreciation and Amortization | - | 1,516 | - | 1,516 | - | 2,350 | - | 2,350 |
| Total Functional Expenses | \$ 598,570 | \$ 30,894 | \$ 12,631 | \$ 642,095 | \$ 659,747 | \$ 41,716 | \$ 5,825 | \$ 707,288 |

See accompanying Notes to Financial Statements.

**JON BON JOVI SOUL FOUNDATION
(FORMERLY THE PHILADELPHIA SOUL CHARITABLE FOUNDATION)
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

| | 2009 | 2008 |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ (181,891) | \$ 503,127 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: | | |
| Depreciation and Amortization | 1,516 | 2,350 |
| (Increase) Decrease in Assets: | | |
| Accounts Receivable | (64,291) | 60,507 |
| Prepaid Expenses | (1) | (339) |
| Increase (Decrease) in Liabilities: | | |
| Accounts Payable | 9,297 | (1,310) |
| Due to AFL Philadelphia | (14,374) | (9,404) |
| Grants Payable | - | (330,000) |
| Net Cash Provided (Used) by Operating Activities | (249,744) | 224,931 |
| NET INCREASE (DECREASE) IN CASH | (249,744) | 224,931 |
| Cash- Beginning | 1,520,167 | 1,295,236 |
| CASH - ENDING | \$ 1,270,423 | \$ 1,520,167 |

See accompanying Notes to Financial Statements.

**JON BON JOVI SOUL FOUNDATION
(FORMERLY THE PHILADELPHIA SOUL CHARITABLE FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Jon Bon Jovi Soul Foundation (the "Foundation"), formerly known as Philadelphia Soul Charitable Foundation, was incorporated in 2006 under the Pennsylvania Nonprofit Corporation Law of 1988, as amended, to operate exclusively for charitable purposes within the meaning of IRC Section 501(c)(3). The Mission of the Foundation is to combat issues that force individuals and families into economic despair. The Foundation develops partnerships to provide grants to organizations that help to improve the quality of life for impoverished and homeless people. The goal is to recognize and maximize the human potential in those affected by poverty and homelessness by offering assistance to programs that provide for affordable housing and provide nutritional feeding programs for low-income, impoverished families and individuals in cities across the country.

By leveraging the celebrity status of members of the arena football team Philadelphia Soul, as well as members of the Board of Directors, the Foundation is committed to developing role models on the individual, corporate, and community level. The programs and partnerships created will assist and promote innovative and long-lasting solutions to rebuilding pride in one's self and one's community.

The Foundation also participates in fundraising events and campaigns to support its programs and grants to deserving community development organizations that serve those affected by poverty and homelessness.

On August 1, 2009, the Foundation changed its' name to the Jon Bon Jovi Soul Foundation from the Philadelphia Soul Charitable Foundation.

Financial Statement Presentation

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 activities from permanently restricted net assets.

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 the reported amounts of assets and liabilities and disclosure 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.

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising costs are to promote the program services of the Foundation.

**JON BON JOVI SOUL FOUNDATION
(FORMERLY THE PHILADELPHIA SOUL CHARITABLE FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of reporting cash flows, the Foundation considers all highly liquid debt instruments with an initial maturity of less than three months to be cash equivalents.

Contributions Receivable

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional.

Contributions that are expected to be collected within one year are recorded at their net realizable value. Contributions after one year are subjected to a discount factor of 3%. All contributions are expected to be collected, therefore, no allowance for doubtful contributions is warranted.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions that are restricted by donor are required to be reported as temporarily restricted support when the unconditional promise to give is received by the Foundation and are then reclassified to unrestricted net assets upon expiration of a time restriction or payment satisfaction by the Foundation.

Equipment

Equipment is stated at cost or at their estimated fair value at date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

| | |
|--------------------|---------|
| Computer Equipment | 3 years |
|--------------------|---------|

Additions and betterments of \$1,500 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Website Development Costs and Amortization

Website development costs are amortized over 3 years. Amortization is computed using the straight-line method.

**JON BON JOVI SOUL FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The costs of supporting the programs and other activities have been summarized on a functional basis in the statements of functional expenses and activities. Accordingly, certain costs have been allocated among the classifications benefited: program, management & general and fundraising.

Income Tax Status

The Foundation was approved on February 22, 2007 to be a tax exempt organization, effective May 23, 2006, under Section 501(c)(3) of the Internal Revenue Code and, therefore, does not need a provision for federal income taxes.

The Foundation adopted the income tax standard for uncertain tax positions on January 1, 2009. As a result of the implementation, the Foundation evaluated its tax positions and determined it has no uncertain tax positions as of December 31, 2009. The Foundation's 2006 to 2008 tax returns are available for examination by the IRS.

Fair Value Measurements

On January 1, 2008, the Foundation adopted the new accounting standard for fair value measurements. The Foundation categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I) and the lowest priority to unobservable inputs (Level III). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level I – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access.

Level II – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level III – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

**JON BON JOVI SOUL FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Subsequent to initial recognition, the Foundation may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through March 22, 2010, the date the financial statements were available to be issued.

NOTE 2 CONCENTRATIONS AND RISKS

Cash

The Foundation maintains cash balances at financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to certain limits. At times during the year ended December 31, 2009 and 2008, the balance was in excess of insured amount. The Foundation places its cash with a high quality credit financial institution and does not believe it is not exposed to any significant credit risk on cash.

Revenue and Support

The Foundation received 84% and 93% of its contributions revenue from four and three contributors during 2009 and 2008, respectively.

NOTE 3 EQUIPMENT

Equipment consists of the following at December 31:

| | 2009 | 2008 |
|--------------------------------|----------|----------|
| Computer Equipment | \$ 2,051 | \$ 2,051 |
| Less: Accumulated Depreciation | 1,424 | 741 |
| Total Equipment | \$ 627 | \$ 1,310 |

Depreciation expense was \$683 and \$684 for the years ended December 31, 2009 and 2008, respectively.

**JON BON JOVI SOUL FOUNDATION
(FORMERLY THE PHILADELPHIA SOUL CHARITABLE FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 4 WEBSITE DEVELOPMENT COSTS AND AMORTIZATION

Website Development Costs consists of the following at December 31:

| | 2009 | 2008 |
|---------------------------------|----------|----------|
| Website Development Costs | \$ 5,000 | \$ 5,000 |
| Less: Accumulated Amortization | 5,000 | 4,167 |
| Total Website Development Costs | \$ - | \$ 833 |

Amortization expense was \$833 and \$1,666 for the years ended December 31, 2009 and 2008, respectively.

NOTE 5 GRANTS PAYABLE

Grants payable consist of amounts awarded, but not paid at year end. At December 31, 2009 and 2008, there were no grants payable. The grants in 2009 and 2008 were awarded and paid out during the years. The 2009 grants consisted of a Home Aid project in the Atlanta, Georgia area, a grant to City Harvest to assist with the hunger issues in the New York City area, and three separate grants to the Greater Camden Foundation, Saint Joseph's Carpenter Society, and the Heart of Camden for projects in the Camden, New Jersey area. The 2008 grants consisted of a Habitat for Humanity project in the Detroit, Michigan area, a Project HOME project in the Philadelphia area and an additional grant for the HELP USA Newark program in Newark, New Jersey area.

NOTE 6 DONATED SERVICES

The Foundation recognizes donated services that create or enhance nonfinancial 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. The donated services consisted of legal services involving program, general and administrative, and fundraising activities of the Foundation. During 2009 and 2008, an amount has been reflected in the statements of activities as a contribution for donated services with a like amount included as donated expense of \$570 and \$3,943, respectively.

Starting in August 2009, the Foundation received pro-bono website hosting services for their new website. The Foundation did not record any value of these services as a result of the amount being minimal for 2009.

In addition, individuals volunteer their time and perform a variety of tasks that assist the Foundation with their purpose and programs. The efforts of these volunteers are not valued as they do not meet the criteria for recording as donated services.

**JON BON JOVI SOUL FOUNDATION
(FORMERLY THE PHILADELPHIA SOUL CHARITABLE FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 7 RELATED PARTY TRANSACTIONS

Four board members of the Foundation have an ownership interest in the AFL Philadelphia, LLC ("Soul"). During 2009 and 2008, the Foundation incurred travel expenses, employee payroll, payroll taxes and employee benefits which were processed through the Soul's accounting and payroll system, which were fully reimbursed by the Foundation at year end. Also in August 2009, the Foundation elected to change their payroll process and hire an unrelated payroll company to handle payroll processing. The amount due to the Soul at December 31, 2009 and 2008 is \$0 and \$14,374, respectively. The Soul suspended operations during 2009.

During 2009, the Foundation, in conjunction with St. Anthony's Church in Red Bank, NJ, piloted a community kitchen program ("pilot kitchen program"). The pilot kitchen program operated for 7 dates in 2009 and was so successful that plans are being made to continue it into 2010. The pilot kitchen program is being coordinated with the church and monitored by a family member of one of the board members. Supplies and food for the pilot kitchen program are reimbursed by the Foundation. The total expenses incurred are \$5,477 and are included in accounts payable and accrued expenses at December 31, 2009.

During 2008, one board member donated \$50,000 to the Foundation, which was restricted to be used for the Project HOME project. The Project HOME project was awarded and paid during 2008.

The Foundation used limited office space of a board member, in which there is no reimbursement of rent.