



**MEMSERVE CUSO LLC
QUARTERLY FINANCIAL REPORT**

Fourth Quarter

2007

MemServe LLC Statement of Operations

Year Ended December 31st, 2007

	CURRENT MONTH	YTD	BUDGET
REVENUES			
PER ACCOUNT INCOME	\$ 5,201	\$ 61,439	\$ 61,222
LOCKBOX	312	3,760	4,313
INVESTMENT INCOME	214	2,862	2,500
ENDORSEMENT INCOME	2,632	2,936	2,000
INTERCHANGE INCOME	1,191	13,118	12,400
OTHER INCOME	30	1,353	500
TOTAL	<u>9,579</u>	<u>85,468</u>	<u>82,935</u>
EXPENSES			
MANAGEMENT FEE	5,775	68,263	71,240
DEPOSIT ENCODING	157	2,160	2,100
BOARD MEMBER EXPENSE	-	-	200
TRAVEL	-	2,465	3,000
MARKETING	-	-	600
AMORT & DEPR	44	518	500
COMMUNICATION	-	198	600
AUDIT	940	1,653	2,000
LEGAL	-	-	-
INSURANCE	125	1,525	1,500
CONSULTANT	-	360	720
INCOME TAX	1,650	1,650	-
OTHER	-	190	300
TOTAL	<u>8,691</u>	<u>78,983</u>	<u>82,760</u>
NET INCOME/(LOSS)	<u>\$ 888</u>	<u>\$ 6,485</u>	<u>\$ 175</u>

MemServe LLC Balance Sheet

Year Ended December 31st, 2007

Assets

CASH		\$	151,210
RECEIVABLES:			
CREDIT UNION RECEIVABLES			21,117
OTHER RECEIVABLES			4,485
ACCRUED INTEREST INCOME			214
TOTAL RECEIVABLES			<u>25,816</u>
PREPAID EXPENSES			625
OFFICE EQUIPMENT	6,535		
ACCUM. DEPR--OFFICE EQUIPMENT	(5,929)		606
VISA LICENSE FEE	3,000		
AMORTIZATION OF LICENSE FEE	(3,000)		-
TOTAL ASSETS		\$	<u><u>178,256</u></u>

Liabilities, Shares, & Equity

LIABILITIES:			
DUE KCCU		\$	5,775
INTERCHANGE INCOME DUE CU's			30,736
MEMBER SETTLEMENT			41,927
OTHER PAYABLES			4,150
TOTAL LIABILITIES			<u>82,588</u>
SHARES			200
PAID-IN CAPITAL			78,952
UNDIVIDED EARNINGS @ 12/31/2006			10,032
NET PROFIT Y-T-D			6,485
TOTAL EQUITY			<u>95,669</u>
TOTAL LIABILITIES, SHARES, & EQUITY		\$	<u><u>178,256</u></u>