

COMMUNITY REBUILDERS, INC.

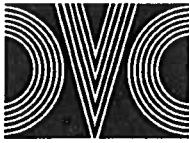
FINANCIAL STATEMENTS

**YEARS ENDED
DECEMBER 31, 2009 AND 2008**

COMMUNITY REBUILDERS, INC.

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DOLINKA, VANNOORD & COMPANY

A PROFESSIONAL LIMITED LIABILITY PARTNERSHIP

C e r t i f i e d P u b l i c A c c o u n t a n t s **Independent Auditors' Report**

Board of Directors
Community Rebuilders, Inc.
Grand Rapids, Michigan

We have audited the accompanying statements of financial position of Community Rebuilders, Inc. (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 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 Community Rebuilders, Inc. as of December 31, 2009 and 2008, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued under separate cover our report dated June 16, 2010 on our consideration of Community Rebuilders, Inc. internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Respectfully submitted,

DOLINKA, VANNOORD & COMPANY, P.L.L.P.

Certified Public Accountants

June 16, 2010

COMMUNITY REBUILDERS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009 AND 2008

ASSETS

	2009	2008
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 238,737	\$ 55,128
Accounts Receivable	92,810	46,823
Prepaid Expenses	23,223	13,640
TOTAL CURRENT ASSETS	\$ 354,770	\$ 115,591
PROPERTY AND EQUIPMENT		
Property and Equipment	\$ 1,168,958	\$ 1,168,958
Less: Accumulated Depreciation	(593,762)	(539,530)
NET PROPERTY AND EQUIPMENT	\$ 575,196	\$ 629,428
TOTAL ASSETS	\$ 929,966	\$ 745,019

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 15,826	\$ 27,823
Current Portion of Deferred Gain on Sale	13,357	13,357
Current Portion of Long-Term Debt	30,213	28,204
Security Deposits	9,060	9,510
Deferred Revenue	188,067	123,957
Other Accrued Liabilities	19,161	16,399
TOTAL CURRENT LIABILITIES	\$ 275,684	\$ 219,250
LONG TERM LIABILITIES		
Deferred Gain on Sale	\$ 67,895	\$ 81,252
Long-Term Debt, Net of Current Portion	275,997	305,892
TOTAL LONG-TERM LIABILITES	\$ 343,892	\$ 387,144
TOTAL LIABILITIES	\$ 619,576	\$ 606,394
NET ASSETS		
Unrestricted	\$ 151,844	\$ 138,625
Temporarily Restricted	158,546	-
TOTAL NETS ASSETS	\$ 310,390	\$ 138,625
TOTAL LIABILITIES AND NET ASSETS	\$ 929,966	\$ 745,019

The accompanying notes are an integral part of these financial statements.
See auditors' report.

COMMUNITY REBUILDERS, INC.
STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2009</u>	<u>Total 2008</u>
REVENUE AND SUPPORT				
Grant Revenue	\$ 2,337,311	\$ -	\$ 2,337,311	\$ 2,152,673
Rental Income	230,963	-	230,963	239,417
Gain (Loss) on Sale of Property and Equipment	13,357	-	13,357	(54,618)
Contributions	86,206	565,586	651,792	10,053
Miscellaneous	16,801	-	16,801	19,068
Interest Income	403	-	403	533
Net Assets Released from Restriction	407,040	(407,040)	-	-
Total Revenue and Support	<u>\$ 3,092,081</u>	<u>\$ 158,546</u>	<u>\$ 3,250,627</u>	<u>\$ 2,367,126</u>
EXPENSES				
Program Services	\$ 3,022,413	\$ -	\$ 3,022,413	\$ 2,340,335
Supporting Services - Management and General	56,449	-	56,449	137,504
TOTAL EXPENSES	<u>\$ 3,078,862</u>	<u>\$ -</u>	<u>\$ 3,078,862</u>	<u>\$ 2,477,839</u>
INCREASE (DECREASE) IN NET ASSETS	<u>\$ 13,219</u>	<u>\$ 158,546</u>	<u>\$ 171,765</u>	<u>\$ (110,713)</u>
NET ASSETS - BEGINNING OF YEAR	<u>138,625</u>	<u>-</u>	<u>138,625</u>	<u>249,338</u>
NET ASSETS - END OF YEAR	<u>\$ 151,844</u>	<u>\$ 158,546</u>	<u>\$ 310,390</u>	<u>\$ 138,625</u>

The accompanying notes are an integral part of these financial statements.
See auditors' report.

COMMUNITY REBUILDERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2009

	Program Services										Supporting Services	
	Project FIT	Project GAP	Project RISE	Shelter Plus Care	Rental	Early Eviction Prevention	ENTF - Prevention	HOPWA	HPRP	Total	Management and General	Total
Salaries and Related Expense												
Salaries and Related Expense	\$ 119,243	\$ 53,974	\$ 67,889	\$ 64,804	\$ 54,817	\$ 36,086	\$ 32,253	\$ 32,552	\$ 327	\$ 461,945	\$ 45,422	\$ 507,367
Employee Insurance	16,298	12,344	14,448	12,237	5,952	12,203	4,641	2,646	-	80,769	6,020	86,789
Payroll Taxes	11,091	4,947	5,515	5,466	5,192	3,685	2,929	2,529	-	41,354	4,168	45,522
Other Expenses												
Depreciation Expense	-	-	-	-	54,232	-	-	-	-	54,232	-	54,232
Insurance	1,362	-	-	-	17,290	-	-	-	-	18,652	-	18,652
Interest Expense	-	-	-	-	22,490	-	-	-	-	22,490	-	22,490
Office Expense	4,786	-	-	-	5,885	406	363	-	-	11,440	539	11,979
Building Lease	21,436	-	-	-	11,756	1,383	-	-	-	34,575	-	34,575
Other Operating Expense	11,826	-	-	40	1,509	665	5,499	-	2,822	22,161	-	22,161
Bad Debt Expense	-	-	-	-	9,834	-	-	-	-	9,834	-	9,834
Other Property Costs	-	-	-	6,654	659	-	-	-	-	7,313	-	7,313
HMIS	12,000	24,800	25,000	-	-	-	-	-	-	61,800	-	61,800
Professional Fees	4,933	1,816	1,706	2,095	7,780	-	-	-	-	18,330	300	18,630
Property Leasing	183,109	80,293	96,195	895,481	-	36,905	359,061	33,002	-	1,684,046	-	1,684,046
Contracted Services	139,678	61,572	85,238	-	-	-	-	35,780	-	322,268	-	322,268
Property Supplies	12,877	-	-	-	-	1,588	1,042	-	-	18,577	-	18,577
Property Taxes	-	-	-	-	3,070	-	-	-	-	34,597	-	34,597
Repairs and Maintenance	2,697	-	-	-	54,228	-	485	-	-	57,410	-	57,410
Telephone	6,485	-	-	-	7,544	741	670	-	-	15,440	-	15,440
Utilities	5,127	-	-	881	31,906	-	97	-	-	38,011	-	38,011
Vehicle Expenses	1,965	-	-	-	4,898	246	-	60	-	7,169	-	7,169
TOTAL EXPENSES	\$ 554,913	\$ 239,746	\$ 295,091	\$ 987,658	\$ 333,439	\$ 93,908	\$ 407,040	\$ 106,569	\$ 3,149	\$ 3,022,413	\$ 56,449	\$ 3,078,862

The accompanying notes are an integral part of these financial statements.
See auditors' report.

COMMUNITY REBUILDERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2008

	Program Services										Supporting Services
	Project FIT	Project GAP	Project RISE	Shelter Plus Care	Rental	Early Eviction Prevention	MPRI	HOPWA	Total	Management and General	Total
Salaries and Related Expense											
Salaries and Related Expense	\$ 99,824	\$ 45,522	\$ 32,409	\$ -	\$ 66,849	\$ 9,942	\$ 59,332	\$ 5,597	\$ 319,475	\$ 90,197	\$ 409,672
Employee Insurance	13,708	5,809	5,738	-	7,726	1,074	5,230	974	40,259	18,504	58,763
Payroll Taxes	8,146	3,081	3,213	-	5,815	753	6,025	525	27,558	8,533	36,091
Other Expenses											
Depreciation Expense	-	-	-	-	51,370	-	-	-	51,370	-	51,370
Insurance	-	-	-	-	17,162	-	-	-	17,162	-	17,162
Interest Expense	-	-	-	-	24,437	-	-	-	24,437	-	24,437
Office Expense	29,966	3,407	918	-	11,371	1,673	2,502	2,403	52,240	4,338	56,578
Building Lease	20,929	195	195	-	3,024	2,030	4,733	1,415	32,521	1,264	33,785
Other Operating Expense	55	-	9	146	-	-	-	-	210	-	210
Bad Debt Expense	-	-	-	1,610	5,388	-	-	-	6,998	-	6,998
Other Property Costs	74	-	-	741	15,086	17	644	12	16,574	730	17,304
HMIS	12,000	24,800	10,535	-	3,562	111	111	-	47,335	-	47,335
Professional Fees	2,401	-	-	-	-	31,246	187,928	-	6,185	11,946	18,131
Property Leasing	191,334	57,284	84,937	813,159	-	-	315	-	1,365,888	-	1,365,888
Contracted Services	84,215	57,281	52,036	1,929	677	-	595	3	196,453	(144)	196,309
Property Supplies	12	-	-	10	12,516	3	-	-	13,139	5	13,144
Property Taxes	-	-	-	-	39,621	-	-	-	39,621	-	39,621
Repairs and Maintenance	-	-	-	1,335	27,575	-	-	-	28,910	419	29,329
Telephone	8,115	178	149	53	3,716	37	1,882	842	14,972	1,651	16,623
Utilities	3,732	10	10	(550)	26,536	178	4,173	433	34,522	61	34,583
Vehicle Expenses	-	-	-	-	4,506	-	-	-	4,506	-	4,506
TOTAL EXPENSES	\$ 474,511	\$ 197,567	\$ 190,149	\$ 818,433	\$ 326,937	\$ 47,064	\$ 273,470	\$ 12,204	\$ 2,340,335	\$ 137,504	\$ 2,477,839

The accompanying notes are an integral part of these financial statements.
See auditors' report.

**COMMUNITY REBUILDERS, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Grants	\$ 2,400,634	\$ 2,055,901
Cash Received from Rentals	230,963	239,417
Cash Received from Contributions	606,592	10,053
Cash Received from Miscellaneous	16,801	19,068
Cash Received from Interest	403	533
Cash Paid for Program Expenses (excluding interest)	(2,964,959)	(2,247,588)
Cash Paid for Program Interest Expense	(22,490)	(24,437)
Cash Paid for Management and General Expenses	(56,449)	(137,504)
NET CASH FROM OPERATING ACTIVITIES	\$ 211,495	\$ (84,557)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of Long-Term Debt	\$ (27,886)	\$ (25,939)
NET CASH FROM FINANCING ACTIVITIES	\$ (27,886)	\$ (25,939)
 NET INCREASE (DECREASE) IN CASH	\$ 183,609	\$ (110,496)
 CASH - BEGINNING OF YEAR	55,128	165,624
 CASH - END OF YEAR	\$ 238,737	\$ 55,128

The accompanying notes are an integral part of these financial statements.
See auditors' report.

COMMUNITY REBUILDERS, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES

	2009	2008
CHANGES IN NET ASSETS	\$ 171,765	\$ (110,713)
Adjustments:		
Depreciation and Amortization	54,232	51,370
Loss (Gain) on Disposal of Assets	(13,357)	54,618
Changes in Assets and Liabilities:		
Accounts Receivable	(45,987)	1,384
Prepaid Expenses	(9,583)	(1,728)
Accounts Payable	(11,997)	15,607
Security Deposits	(450)	(1,584)
Deferred Revenue	64,110	(98,026)
Other Accrued Liabilities	2,762	4,515
NET CASH FROM OPERATING ACTIVITIES	\$ 211,495	\$ (84,557)

The accompanying notes are an integral part of these financial statements.
See auditors' report.

COMMUNITY REBUILDERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Community Rebuilders, Inc. (the “Organization”) is a nonprofit organization whose mission is to provide housing opportunities and support services to households with a housing crisis in Kent County. Community Rebuilders utilizes a housing first approach focused on rapidly re-housing homeless households by providing access to affordable housing with supports. The provision of rent assistance and housing stabilization services, such as strengths-based case management, help with employment, connecting with mainstream resources like TANF and SSI/SSDI, budget counseling, and childcare assistance etc. are utilized to assist households to obtain housing and remain stably housed. Community Rebuilders prevents households from becoming homeless through the provision of rent assistance – paying back rent and effective case management and homeless prevention planning.

The Organization operates the following programs:

Families in Transition (FIT) – this program is designed to help homeless families move directly into rental housing of their choice. Families are provided with rental assistance and comprehensive strengths-based solution focused case management services. Supportive services are provided to assist participants as they move from homelessness to permanent housing and increase their self sufficiency.

RISE and GAP – these programs are designed to provide housing and supportive services to homeless individuals and families. The leasing portion of this program is designed around a housing first model. Participants are assisted with immediate movement into housing of their choice and then provided with strengths based case management and other supports necessary to maintain the housing on their own. The RISE/GAP program also provides funding for several other community agencies to provide necessary services such as transportation and child-care to the homeless population.

Shelter Plus Care - Provides housing and supportive services on a long-term basis for homeless persons with disabilities and their families.

Rental Program—Community Rebuilders provides affordable rental units at rates below fair market rent to low income households. This program provides an opportunity for individuals and families to rebuild their rental histories and secure rental housing despite poverty, past evictions and poor credit.

Michigan Prisoner Re-Entry Initiative (MPRI) – Offers housing assistance to prisoners transitioning into the community.

Early Eviction Prevention – this program assists families who are at imminent risk of homelessness due to inability to pay their back rent or past due mortgage due to no fault of their own. The program attempts to prevent litigation, eviction or foreclosure through assessment, mediation, conflict resolution and the use of a one-time rental/ mortgage assistance payment.

Housing Opportunities for Persons Living with Aids/ HIV Related Illnesses (HOPWA) – this program offers short term and medium term rental assistance and supportive services for low income persons living with HIV/ AIDS and their families.

ENTF -Prevention – this program is funded by donations from several area Foundations and supports homeless prevention and rapid re-housing for households by providing strengths-based, housing services and direct financial assistance to households that are at high risk for an immediate episode of homelessness.

Homeless Prevention and Rapid Re-Housing Program – this program aims to prevent homelessness or provide rapid re-housing services for households at risk due to an eviction process, rent arrearages or loss of income.

See auditors’ report.

COMMUNITY REBUILDERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Concentration of Funding

The Organization receives virtually all of its funding from the U.S. Department of Housing and Urban Development. Loss of this funding would result in a substantial reduction in program services.

Basis of Accounting and Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting utilizing three classes of net assets for reporting and presentation as follows:

Unrestricted net assets represent the Organization's resources that are available for operations. For reporting purposes it is the Organization's policy to record items with temporary restrictions which are satisfied within the same reporting period as unrestricted assets.

Temporarily restricted net assets represent contributions received by the Organization which have been designated for a special purpose by the donor. Once the restrictions have been met, the contributions will be released from their restrictions.

Permanently restricted net assets represent contributions that are subject to restrictions of gift instruments requiring that the principal be maintained in perpetuity and invested; the income there from may be used to support operations. As of December 31, 2009 and 2008, the Organization has no permanently restricted assets.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and interest bearing money market accounts. The Organization's cash is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. Although the Organization's bank balance exceeds FDIC limits at times during the year, management believes the Organization is not exposed to any significant interest rate or other risk on these deposits.

Accounts Receivable

Accounts receivable includes amounts due from grant programs, contributions and rents due from tenants and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through the provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off. The Organization has not established an allowance as of December 31, 2009 and 2008 because all accounts are considered to be fully collectible.

See auditors' report.

COMMUNITY REBUILDERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Property, Equipment and Depreciation

Property and equipment are recorded at cost or, if donated, at the fair market value on the date of the gift. Major improvements and renewals are capitalized while ordinary maintenance and repairs are expensed. Management annually reviews these assets to determine whether carrying values have been impaired. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which generally range from 3 to 40 years.

Deferred Gain on Sale

The Organization sold an office building in 2006 which it is now leasing from the purchaser. The gain on the sale of the building is being recognized on a straight-line basis over the term of the lease including renewals.

Contributions

Contributions are recognized as revenue when promises to give are received. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction.

Revenue Recognition/Deferred Revenue

Revenue from government grants qualifies as “exchange transaction” type revenue. Accordingly, government grants are recognized as revenue in the period in which expenditures are made. Grants received in advance of expenditures are recorded as deferred revenue in the statement of financial position. Revenues from rental income and other charges to residents are recognized in the month earned.

Functional Expenses

Expenses are charged to each program based on direct expenditures incurred. Any program expenses not directly chargeable are allocated to programs based on full-time equivalent hours by department.

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from similar state and local taxes. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

With few exceptions, periods ending after December 31, 2006 are subject to U.S. tax examinations by tax authorities.

See auditors' report.

**COMMUNITY REBUILDERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 2 – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of December 31:

	2009	2008
Land	\$ 41,860	\$ 41,860
Buildings	561,639	561,639
Building Improvements	508,169	508,169
Transportation Equipment	15,549	15,549
Furniture and Fixtures	41,741	41,741
Total Property and Equipment	\$ 1,168,958	\$ 1,168,958
Less: Accumulated Depreciation	593,762	539,530
NET PROPERTY AND EQUIPMENT	\$ 575,196	\$ 629,428

NOTE 3 – LONG-TERM DEBT

Long-term debt consists of the following obligations at December 31:

	2009	2008
Note payable to a bank, collateralized by a real estate mortgage, due in monthly installments of \$4,198 including interest at 6.90% per annum, with a final balloon payment on November 15, 2012.	\$ 306,210	\$ 334,096
Less Current Portion	(30,213)	(28,204)
LONG-TERM DEBT- Net of Current Portion	\$ 275,997	\$ 305,892
Current maturities of long-term debt:		
December 31, 2010	\$ 30,213	
December 31, 2011	32,365	
December 31, 2012	243,632	
TOTAL	\$ 306,210	

The Organization also had an unused \$20,000 line of credit with a bank, secured by a real estate mortgage, which bore interest at the prime rate for 2008. The Organization did not renew the line of credit when it matured in November, 2008.

See auditors' report.

COMMUNITY REBUILDERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 4 – LEASES

During the year ended December 31, 2006, the Organization entered into an agreement to sell and then lease its office building from the purchaser. The building was sold for a gain of \$133,566 which is being recognized on a straight-line basis over the term of the building lease. The Organization recognized \$13,357 of the gain in each of the years ended December 31, 2009 and 2008.

The building lease is a non-cancelable five year operating lease, renewable on January 31, 2011 for another five year term and requires monthly payments of \$2,688. The Organization also entered into a five year operating lease for a phone system during 2008 which requires monthly payments \$341. Total lease expense was \$37,866 and \$33,785 for the years ended December 31, 2009 and 2008, respectively. The future minimum lease obligations in effect at December 31, 2009 are as follows:

<u>Year Ending</u>	
December 31, 2010	\$ 36,348
December 31, 2011	6,780
December 31, 2012	4,092
Thereafter	<u>1,704</u>
TOTAL	<u>\$ 48,924</u>

NOTE 5 – CONTINGENCIES

The Organization has entered into agreements with the City of Grand Rapids between 2005 and 2007, whereby the City would eliminate lead-based paint in three of the Organization's buildings at no cost to the Organization. These donated services are contingent on compliance with certain conditions ending in 2010. If these conditions are not met as noted in the agreements, the Organization would be required to reimburse the City of Grand Rapids for the services provided.

In the normal course of its activities, the Organization is a party to various legal actions and is subject to certain asserted and unasserted claims and assessments. The actual costs to the Organization, if any, in the event of an unfavorable outcome, and net of any applicable insurance recoveries, cannot be reasonably estimated at this time. Therefore, no liability has been recorded in the accompanying statement of financial position.

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events occurring after the balance sheet date and through June 16, 2010, the date these financial statements were available to be issued, and has determined that no items require disclosure.

NOTE 7 – RECLASSIFICATIONS

Certain items in the financial statements for 2008 have been reclassified to conform to the classifications used in 2009.

See auditors' report.