



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

**MANUELITO NAVAJO
CHILDREN'S HOME, INC.**

**INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2011
With Comparative Totals for 2010**

MANUELITO NAVAJO CHILDREN'S HOME, INC.
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MANUELITO NAVAJO CHILDREN'S HOME, INC.
OFFICIAL ROSTER
For The Year Ended December 31, 2011, With Comparative Totals For 2010

Official Roster

Greg Peterson	President
Clifton Tuggle	Vice-President
Lynn Dunson	Secretary
David Brown	Director
Joel Peterson	Director



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Manuelito Navajo Children's Home, Inc.

We have audited the accompanying statement of financial position of Manuelito Navajo Children's Home, Inc. (The Home) as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Home's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Home's 2010 financial statements and in our report dated July 18, 2011; we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the Home as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

Hinkle & Landers, P.C.

Hinkle + Landers, P.C.
April 23 2012

MANUELITO NAVAJO CHILDREN'S HOME, INC.
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2011 With Comparative Totals for 2010

ASSETS	<u>Notes</u>	<u>2011</u>	<u>2010</u>
Current Assets			
Cash and cash equivalents:			
Unrestricted	B	\$ 41,840	56,171
Held for others		814	5,573
Total cash and cash equivalents		<u>42,654</u>	61,744
Accounts receivable, net		4,055	22,990
Prepaid assets		375	1,587
Current portion of notes receivable	E	<u>2,291</u>	<u>2,373</u>
Total current assets		49,375	88,694
Non-current Assets			
Investment in land	D	5,470	5,470
Notes receivable, net of current portion	E	<u>75,305</u>	<u>77,910</u>
Total non-current assets		80,775	83,380
Property and equipment, net	C	<u>365,458</u>	398,594
Total assets		<u>\$ 495,608</u>	<u>570,668</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable		\$ 7,856	13,642
Accrued expenses		24,506	29,708
Funds held for children		814	5,573
Line of credit	H	<u>65,000</u>	<u>10,529</u>
Total current liabilities		98,176	59,452
Long-term Liabilities			
Line of credit, maturity date greater than a year	H	<u>-</u>	<u>110,000</u>
Total long-term liabilities		<u>-</u>	<u>110,000</u>
Total liabilities		98,176	169,452
Net Assets			
Unrestricted:			
Net investment in property and equipment		365,458	398,594
General operating		<u>31,974</u>	2,622
Total net assets		<u>397,432</u>	<u>401,216</u>
Total liabilities and net assets		<u>\$ 495,608</u>	<u>570,668</u>

SEE INDEPENDENT AUDITORS' REPORT
The accompanying notes are an integral part of these financial statements

MANUELITO NAVAJO CHILDREN'S HOME, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011 With Comparative Totals for 2010

	2011	2010
Revenue, support, and gains:		
Contributions:		
Donations - Home	\$ 720,933	655,375
Donations - School	8,844	10,164
Donations in-kind	20,329	2,164
Total support	750,106	667,703
Revenue and gains:		
Dividends and royalties	1,905	-
Local government contracts	5,000	-
Interest income	4,642	6,103
Rental income	3,940	5,700
School income	93,928	108,248
Gain on disposition of fixed assets	-	2,000
Sale of water	-	2,275
Miscellaneous	2,166	577
Total revenue	111,581	124,903
Total revenue and support	861,687	792,606
Expenses:		
Operating expenses:		
Program services	574,424	570,682
General and administrative	180,197	175,819
Fundraising	110,850	120,185
Total operating expenses	865,471	866,686
Change in net assets	(3,784)	(74,080)
Net assets, beginning of year	401,216	475,296
Net assets, end of year	\$ 397,432	401,216

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MANUELITO NAVAJO CHILDREN'S HOME, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2011 With Comparative Totals for 2010

	Programs	General and Administrative	Fundraising	2011 Total	2010 Total
Personnel services:					
Salaries, wages and other compensation	\$ 258,937	84,638	42,899	386,474	391,178
Payroll taxes	21,299	6,962	3,529	31,790	29,804
Employee benefits	75,361	24,633	12,485	112,479	88,496
Total personal services	<u>355,597</u>	<u>116,233</u>	<u>58,913</u>	530,743	509,478
Other expenses:					
Advertising	2,736	-	1,324	4,060	7,413
Allowances-children	6,657	-	-	6,657	4,792
Auto expense	8,200	3,484	12,016	23,700	22,381
Benevolence	582	18	-	600	100
Bulletins	7,190	97	3,541	10,828	11,422
Clothing	1,475	-	9	1,484	1,132
Contract labor	608	-	-	608	2,057
Dues & memberships	786	360	-	1,146	867
Entertainment	2,920	-	18	2,938	2,101
Equipment and Facilities	398	-	2	400	35
Food	16,531	684	4,856	22,071	19,795
Fundraising events	-	-	5,587	5,587	6,900
Incidental children's exp	907	-	-	907	1,367
Insurance	21,072	9,054	2,799	32,925	32,920
Interest	6,586	4,711	-	11,297	5,314
Legal & accounting	8,351	-	-	8,351	9,072
Lodging	1,953	49	6,203	8,205	4,951
Medicines & doctors	233	-	-	233	1,874
Misc	-	-	-	-	2,829
Bad debt	25,777	-	-	25,777	10,876
Office exp	3,332	3,274	7,818	14,424	26,943
Postage	3,886	-	2,352	6,238	12,421
Repairs & maintenance	9,460	183	-	9,643	24,315
School tuition	-	-	-	-	9,350
Other school expenses	3,912	-	-	3,912	3,838
Staff training	1,040	494	-	1,534	3,074
Supplies	1,623	15	2,208	3,846	10,071
Telephone	5,366	2,631	630	8,627	6,667
Travel	2,750	-	1,507	4,257	4,700
Utilities	53,937	18,028	727	72,692	57,932
Taxes	1,241	406	206	1,853	2,022
Fees	552	146	134	832	1,846
Total other expenses	<u>200,061</u>	<u>43,634</u>	<u>51,937</u>	295,632	311,377
Total expenses before depreciation	555,658	159,867	110,850	826,375	820,855
Depreciation	18,766	20,330	-	39,096	45,831
Total expenses	<u>\$ 574,424</u>	<u>180,197</u>	<u>110,850</u>	865,471	866,686

SEE INDEPENDENT AUDITORS' REPORT
The accompanying notes are an integral part of these financial statements

MANUELITO NAVAJO CHILDREN'S HOME, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2011 With Comparative Totals for 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Donations	\$ 729,777	665,539
Dividends and royalties	1,905	-
Interest income	4,642	6,207
Miscellaneous sales	2,166	577
Rental income	3,940	5,700
School income	87,086	73,697
Sale of water	-	2,275
Local government contracts	5,000	-
Total cash received	834,516	753,995
Less:		
Cash paid to suppliers and employees	783,507	823,634
Notes payable interest paid	11,297	5,314
Total cash paid out	794,804	828,948
Net cash (used) provided by operating activities	39,712	(74,953)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale proceeds from disposition of fixed assets	-	2,000
Purchase of fixed assets	(5,960)	(20,676)
Net cash provided (used) by investing activities	(5,960)	(18,676)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from loans payable	(55,529)	110,000
Payment of notes payable	-	(11,719)
Proceeds received from notes receivable	2,687	2,607
Net cash used by financing activities	(52,842)	100,888
Net increase (decrease) in cash	(19,090)	7,259
Cash and cash equivalents, beginning of year	61,744	54,485
Cash and cash equivalents, end of year	\$ 42,654	61,744
Reconciliation of changes in net assets to cash provided by operating activities		
Change in net assets	\$ (3,784)	(74,080)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	39,096	45,831
Bad debt expense	25,777	10,876
Loss/(gain) on disposition of fixed assets	-	(2,000)
Decrease (increase) in accounts receivable	(6,842)	(29,547)
Decrease (increase) in interest receivable	-	104
Decrease (increase) in prepaid expenses	1,212	(51)
(Decrease) increase in accounts payable	(5,786)	(28,433)
(Decrease) increase in accrued expenses	(5,202)	5,061
(Decrease) increase in deferred revenue	-	(5,004)
(Decrease) increase in funds held for children	(4,759)	2,290
Net cash (used) provided by operating activities	\$ 39,712	(74,953)

SEE INDEPENDENT AUDITORS' REPORT
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MANUELITO NAVAJO CHILDREN'S HOME, INC
NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 2011, With Comparative Totals For 2010

NOTE A - SUMMARY OF ACCOUNTING POLICIES

The audited financial statements are presented for the Manuelito Navajo Children's Home, Inc. (The Home). The Home, located near Gallup, New Mexico, operates group residential sites for boys and girls through high school age. The Home is a ministry of the Gallup Church of Christ. The Board of Directors of the Home are required to be members of the Church of Christ.

In July 2007, the Home opened the Gallup Christian School (GCS) on the grounds of the Home. The school provides quality education from Preschool through Twelfth grade. GCS's teachers and administration are dedicated Christian professionals who challenge their students toward academic and moral excellence.

The Home is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Home has been classified as a publicly supported organization, which is not a private foundation under Section 509(a) of the Code. The Home's programs are supported primarily by contributions and school tuition.

Classes of Net Assets

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification 958-205, *Financial Statements of Not-for Profit Organizations* and subsections (FASB ASC). Under ASC 958-205, the Home 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.

- a) Unrestricted amounts are those currently available at the discretion of the Board of Directors for use in the Home's programs, and those resources invested in land, buildings, and equipment.
- b) Temporarily restricted amounts are those which are restricted by donors for specific operating purposes or for the acquisition of land, buildings, and equipment.
- c) Permanently restricted amounts are those restricted by donors in perpetuity as endowments.

All contributions are considered available for unrestricted use, unless specifically restricted by the donor or subject to other legal restrictions.

Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted income and gains.

Accounting for Uncertainty in Taxes Provisions

The Home adopted the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes* on January 1, 2009. Under ASC 740-10, an organization must recognize the tax benefit/liability associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. The implementation of ASC 740-10 had no impact on the Home's financial statements. Management does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits.

MANUELITO NAVAJO CHILDREN'S HOME, INC
NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 2011, With Comparative Totals For 2010

Impairment of Long-Lived Assets

The Home accounts for long-lived assets in accordance with the provisions of FASB ASC 360-10 and subsections, *Accounting for the Impairment of Long-Lived Assets*. ASC 360-10 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell. Management does not believe impairment indicators are present as of December 31, 2011.

Donated Services and Assets

Contributions of services and materials are recognized in the accompanying financial statements in accordance with FASB ASC 958-605-25-16, *Accounting for Contributions Received and Contributions Made*; if the services received enhance or create non-financial assets, require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Home receives donated clothing, food, supplies, etc. from corporations and individuals. The donations are recorded at estimated fair value on the date of contribution. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. In the absence of any donor-imposed restrictions on the use of assets, the Home reports gifts of long-lived assets as unrestricted support in the period received. The Home has no donor restricted property and equipment to report in 2011 or 2010.

Summary of Fair Value Exposure

FASB ASC 820-10, *Fair Value Measurement* and subsections, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). (The inputs and methodology used for valuing the Home's financial assets and liabilities are not indicators of the risks associated with those instruments.) The three levels of the fair value hierarchy under ASC 820-10 are as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

MANUELITO NAVAJO CHILDREN'S HOME, INC
NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 2011, With Comparative Totals For 2010

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table sets forth by level, within the fair value hierarchy, the Home's financial assets measured at fair value as of December 31, 2011:

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Investment in land	\$ <u> -</u>	<u> -</u>	<u> 5,470</u>	<u> 5,470</u>
Total assets at fair value	\$ <u> -</u>	<u> -</u>	<u> 5,470</u>	<u> 5,470</u>

The following assumptions were used to estimate the fair value of the assets included in the table above:

- Investment in land – Asset has been valued at estimated fair market value at time of donation based on an appraisal conducted at that time. There have been no changes in valuation techniques and related inputs.

The table below reconciles the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Investment in land
Beginning balance	\$ <u> 5,470</u>
Purchases, issuance, and settlements	-
Transfers in and/or out of Level 3	-
Ending Balance	\$ <u> 5,470</u>

Functional Expenses

The Home classifies expenses into three functions: Program services, General and Administrative, and Fund Raising. Program Services includes all funds expended directly or indirectly to support the programs of the Home. General and Administrative expenses represent administrative costs and costs associated with public information and donor accountability. Fund-raising expenses consist of expenses related to the solicitation of contributions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Home considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Receivables

Accounts receivable are stated at unpaid balances. The Home provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of customer to meet their obligations. For the year ended December 31, 2011, allowance for uncollectible accounts totaled \$0.

MANUELITO NAVAJO CHILDREN'S HOME, INC

NOTES TO FINANCIAL STATEMENTS

For The Year Ended December 31, 2011, With Comparative Totals For 2010

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Home's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Notes receivable are reported at their outstanding principal adjusted for any applicable discounts. Discounts on notes receivable are amortized to income using the interest method over the remaining period to contractual maturity, adjusted for anticipated prepayments. Notes receivable are considered by management to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary. In making that determination, management evaluated the financial condition of the borrower's, the estimated value of the underlying collateral if applicable, and current economic conditions. Past due status is determined based on contractual terms. Loans are considered impaired if full principal or interest payments are not anticipated in accordance with the contractual terms.

Property and Equipment

Property and equipment are valued at cost at date of purchase or fair market value at the date of receipt, if donated. All purchases more than \$1,000 are capitalized. Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Home reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Home reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Depreciation is provided on the straight-line method over the estimated useful lives of the assets and is accounted for in the property and equipment fund and allocated to each function based upon utilization. Estimated useful lives for the purposes of depreciation are as follows:

<u>Classification</u>	<u>Depreciable Lives</u>
Land	Perpetuity
Land Improvements	15 Years
Furniture & Fixtures	5-10 Years
Building & Improvements	10-50 Years
Vehicles	5-10 Years
Tanks & Pumps	10 Years

Gains and losses on the disposition of property and equipment and investment assets are included in current funds - unrestricted.

Public Support, Revenue and Expenses

Contributions income is recorded when cash is received or when ownership of donated assets is transferred. Bequests are recorded as income at the time the Home has an established right to the bequest and the proceeds are measurable. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

MANUELITO NAVAJO CHILDREN'S HOME, INC
NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 2011, With Comparative Totals For 2010

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Home's audited financial statements for the year ended December 31, 2010 from which the summarized information was derived.

NOTE B - CASH AND CASH EQUIVALENTS

The Home considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of the following at December 31:

<u>Description</u>	<u>Location</u>	<u>2011</u>	<u>2010</u>
Checking and savings	Local banks	\$ 41,740	54,918
Children's checking	Local banks	814	5,573
Money market funds	Smith Barney	-	965
Petty cash	On site	100	288
Total cash		\$ <u>42,654</u>	<u>61,744</u>

NOTE C - PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment consists of the following as of December 31:

<u>Type</u>	<u>2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>2011</u>
Depreciable property and equipment				
Land improvements	\$ 4,302	-	-	4,302
Furniture and equipment	104,870	1,389	-	106,259
Buildings and improvements	915,502	4,571	-	920,073
Vehicles	108,677	-	-	108,677
Tanks and pumps	8,636	-	-	8,636
Total depreciable property and equipment	1,141,987	5,960	-	1,147,947
Less accumulated depreciation	(814,393)	(39,096)	-	(853,489)
Subtotal depreciable property & equipment (net)	327,594	(33,136)	-	294,458
Land	71,000	-	-	71,000
Total property and equipment (net)	\$ <u>398,594</u>	<u>(33,136)</u>	<u>-</u>	<u>365,458</u>

Depreciation expense for the years ended December 31, 2011 and 2010 was \$39,096 and \$45,831, respectively.

NOTE D - INVESTMENTS

Investments consist of land that was donated to the Home. The policy of the Home is to recognize all realized and unrealized gains/losses in the current year.

Land is reported at the appraised value on the date of contribution. The investment in land is reported on the financial statements as a non-current asset.

MANUELITO NAVAJO CHILDREN'S HOME, INC
NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 2011, With Comparative Totals For 2010

Investments at December 31 are as follows:

Type	2011		2010	
	Fair Value	Cost	Fair Value	Cost
Land	\$ 5,470	5,470	5,470	5,470
Total	\$ 5,470	5,470	5,470	5,470

NOTE E - NOTES RECEIVABLE

Notes receivable at December 31 are as follows:

	2011	2010
Promissory note receivable (Property)	\$ 77,596	80,283
Less current portion	(2,291)	(2,373)
Notes receivable, net of current portion	\$ 75,305	77,910

In June 2004, the Home received a promissory note for \$95,943 representing the current value of a property sold by Ivanhoe Church of Christ. The note has an interest rate of 3% and matures in July 2032.

NOTE F - OPERATING LEASE

The Home is committed under lease for a Pitney Bowes mailing machine through July 31, 2013. This lease is considered for accounting purposes to be an operating lease. Operating leases do not give rise to property rights or lease obligations. Therefore, the results of operating leases are not reflected in the Home's fixed assets. Minimum lease payments for the next four years are as follows:

Year	Amount
2012	\$ 8,208
2013	8,208
2014	4,788
2015	-
Total	\$ 21,204

NOTE G – PENSION PLAN

The Home has a pension plan sponsored by Mass Mutual. All employees involved in the plan receive a monthly amount which is used towards retirement. The amount varies depending upon the employee. Each employee has the choice of putting the funds in a TSA. Employees have the option of deducting more from their own pay. Pension expense was \$4,108 and \$9,139 at December 31, 2011 and 2010, respectively.

NOTE H – CURRENT AND LONG-TERM DEBT

In 2010, the Home borrowed \$110,000 of its available \$195,000 line of credit with Washington Federal Bank. Amounts borrowed on the line of credit bear an interest rate of 6.75%. The outstanding balance plus any remaining accrued interest shall be due and payable in full on January 10, 2012. The line of credit is unsecured.

MANUELITO NAVAJO CHILDREN'S HOME, INC
NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 2011, With Comparative Totals For 2010

Scheduled note and line of credit principal and interest payments are as follows at December 31:

	Principal	Interest	Total
Line of Credit	65,000	819	65,819
Total outstanding	65,000	819	65,819
Less current amount	(65,000)		
Non-current payable	\$ -		

NOTE I – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued. The Home recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The Home's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are available to be issued. The Home has evaluated subsequent events through April 23, 2012, which is the date the financial statements were available to be issued.