

**BOYS & GIRLS CLUB
OF EAST PROVIDENCE, INC.**

Financial Statements
and
Independent Auditors' Report

For The Years Ended December 31, 2011 and 2010

ARTHUR LAMBI & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

BOYS & GIRLS CLUB OF EAST PROVIDENCE, INC.
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INDEPENDENT AUDITORS' REPORT

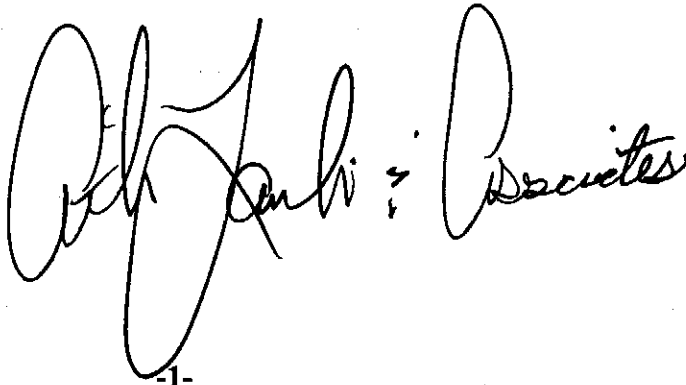
To the Board of Directors of the
Boys & Girls Club of East Providence, Inc.:

We have audited the accompanying statements of financial position of the Boys & Girls Club of East Providence, Inc. as of December 31, 2011 and 2010, and the related statements of activities, changes in net assets, 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Boys & Girls Club of East Providence, Inc. as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

October 17, 2012



Arthur Lambi & Associates

BOYS & GIRLS CLUB OF EAST PROVIDENCE, INC.

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Unrestricted cash and cash equivalents (Notes 2 and 5)	\$52,463	\$63,870
Restricted cash and cash equivalents (Notes 2 and 5)	50,000	80,841
Other receivables, net of allowance for uncollectible accounts of \$44,954 in 2011 (Note 2)	56,713	91,684
Pledges receivable (Note 3)	113,124	186,124
Prepaid expenses	11,090	13,316
Property and equipment, net (Note 4)	<u>1,786,257</u>	<u>1,758,863</u>
TOTAL ASSETS	<u>\$2,069,647</u>	<u>\$2,194,698</u>
 <u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable	\$153,006	\$120,990
Grants payable	65,399	128,924
Accrued expenses	17,231	18,149
Total liabilities	<u>235,636</u>	<u>268,063</u>
 COMMITMENT AND CONTINGENCY (Note 4)		
NET ASSETS:		
Unrestricted	1,784,011	1,835,504
Temporarily restricted (Note 5)	50,000	91,131
Total net assets	<u>1,834,011</u>	<u>1,926,635</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$2,069,647</u>	<u>\$2,194,698</u>

See notes to financial statements.

BOYS & GIRLS CLUB OF EAST PROVIDENCE, INC.

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
PUBLIC SUPPORT, REVENUE, AND OTHER INCOME (LOSS)			
Public support:			
United Way	\$2,497		\$2,497
General public	28,532		28,532
Grants - Private Foundations	53,000	\$50,000	103,000
State of Rhode Island	25,002		25,002
Community Development Block Grants	24,000		24,000
Boys & Girls Club of America	18,083		18,083
Total public support	<u>151,114</u>	<u>50,000</u>	<u>201,114</u>
Revenue and other income:			
Workforce Partnership and SMART Leaders	163,729		163,729
Daycare fees (Note 2)	426,210		426,210
Camp fees	110,940		110,940
Swim program fees	25,663		25,663
Rental income	11,883		11,883
Membership fees	3,491		3,491
Special events, net (Note 6)	8,128		8,128
In-kind income (Note 7)	5,877		5,877
Loss on disposal of assets	(960)		(960)
Other income (Note 10)	15,469		15,469
Total revenue and other income	<u>770,430</u>		<u>770,430</u>
Net assets released from restrictions (Note 5)	<u>91,131</u>	<u>(91,131)</u>	
Total public support, revenue, and other income (loss)	<u>1,012,675</u>	<u>(41,131)</u>	<u>971,544</u>
EXPENSES:			
Program services:			
Workforce Partnership and SMART Leaders	148,188		148,188
Basic services	140,949		140,949
Childcare	311,656		311,656
Summer camp	104,147		104,147
Aquatics	132,079		132,079
Total program expenses	<u>837,019</u>		<u>837,019</u>
Supporting services:			
Management and general	227,149		227,149
Total expenses	<u>1,064,168</u>		<u>1,064,168</u>
Changes in net assets	(51,493)	(41,131)	(92,624)
Net assets, beginning of the year	<u>1,835,504</u>	<u>91,131</u>	<u>1,926,635</u>
Net assets, end of the year	<u>\$1,784,011</u>	<u>\$50,000</u>	<u>\$1,834,011</u>

See notes to financial statements.

BOYS & GIRLS CLUB OF EAST PROVIDENCE, INC.

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
PUBLIC SUPPORT, REVENUE, AND OTHER INCOME (LOSS)			
Public support:			
United Way	\$38,000		\$38,000
General public	35,638		35,638
Grants - Private Foundations	20,609	\$185,000	205,609
State of Rhode Island	22,317		22,317
Community Development Block Grants	52,000		52,000
Boys & Girls Club of America	26,143		26,143
Total public support	<u>194,707</u>	<u>185,000</u>	<u>379,707</u>
Revenue and other income (loss):			
Workforce Partnership and SMART Leaders	368,154		368,154
Daycare fees (Note 2)	410,413		410,413
Camp fees	114,770		114,770
Swim program fees	30,012		30,012
Rental income	9,812		9,812
Membership fees	3,773		3,773
Special events, net (Note 6)	442		442
In-kind income (Note 7)	18,944		18,944
Loss on disposal of assets	(1,400)		(1,400)
Other income (Note 10)	10,018		10,018
Total revenue and other income (loss)	<u>964,938</u>		<u>964,938</u>
Net assets released from restrictions (Note 5)	<u>369,159</u>	<u>(369,159)</u>	
Total public support, revenue, and other income (loss)	<u>1,528,804</u>	<u>(184,159)</u>	<u>1,344,645</u>
EXPENSES:			
Program services:			
Workforce Partnership and SMART Leaders	371,145		371,145
Basic services	123,623		123,623
Childcare	238,993		238,993
Summer camp	93,968		93,968
Aquatics	123,411		123,411
Total program expenses	<u>951,140</u>		<u>951,140</u>
Supporting services:			
Management and general	193,985		193,985
Total expenses	<u>1,145,125</u>		<u>1,145,125</u>
Changes in net assets	383,679	(184,159)	199,520
Net assets, beginning of the year	<u>1,451,825</u>	<u>275,290</u>	<u>1,727,115</u>
Net assets, end of the year	<u>\$1,835,504</u>	<u>\$91,131</u>	<u>\$1,926,635</u>

See notes to financial statements.

BOYS & GIRLS CLUB OF EAST PROVIDENCE, INC.
**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Workforce Partnership / SMART Leaders	Basic Services	Child Care	Summer Camp	Aquatics	Total Program Services	Management and General	Expense Totals
Salaries and related expenses:								
Salaries and wages	\$28,349	\$45,826	\$156,343	\$38,600	\$51,201	\$320,319	\$103,202	\$423,521
Payroll taxes and worker's compensation	1,910	4,121	14,432	3,112	4,427	28,002	8,245	36,247
Employee benefits		11,529	12,926	1,523	5,756	31,734	3,532	35,266
Unemployment compensation							17,418	17,418
Total salaries and related expenses	30,259	61,476	183,701	43,235	61,384	380,055	132,397	512,452
Operating expenses:								
Snow removal and landscaping expense		2,350	2,003	6,180	1,900	12,433		12,433
Outside services		264	1,305		51	1,620	41,094	42,714
Program grants and stipends	114,797	1,397	8,132	2,756	4,029	131,111	11,408	142,519
Supplies		8,833	6,168	1,479	866	17,346	1,710	19,056
Equipment rental		794	5,028	2,163	363	8,348	53	8,401
Telephone	111	2,112	2,956	713	299	6,191	951	7,142
Transportation			9,895	10,311		20,206		20,206
Utilities	2,539	11,578	12,379	6,389	30,980	63,865	2,534	66,399
Printing		1,168	399	33	115	1,715	71	1,786
Conferences, meetings, dues		10,848	530	967	50	12,395	779	13,174
Insurance		6,342	16,816	2,873	17,462	43,493	2,569	46,062
Rent							1,800	1,800
Repairs and maintenance		1,277	16,865	5,895	2,638	26,675	3,213	29,888
Depreciation		26,153	11,624	8,718	11,624	58,119	1,138	59,257
Professional fees							15,136	15,136
Bad debt expense			32,816	12,138		44,954	10,290	55,244
Miscellaneous	482	6,357	1,039	297	318	8,493	2,006	10,499
Total operating expenses	117,929	79,473	127,955	60,912	70,695	456,964	94,752	551,716
Total functional expenses	\$148,188	\$140,949	\$311,656	\$104,147	\$132,079	\$837,019	\$227,149	\$1,064,168

See notes to financial statements.

BOYS & GIRLS CLUB OF EAST PROVIDENCE, INC.
**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Workforce Partnership / SMART Leaders	Basic Services	Child Care	Summer Camp	Aquatics	Total Program Services	Management and General	Expense Totals
Salaries and related expenses:								
Salaries and wages	\$81,637	\$40,939	\$138,536	\$47,908	\$51,093	\$360,113	\$97,511	\$457,624
Payroll taxes and worker's compensation	5,960	5,478	14,091	3,670	4,630	33,829	9,391	43,220
Employee benefits		13,009	14,913	3,625	6,526	38,073	3,644	41,717
Total salaries and related expenses	<u>87,597</u>	<u>59,426</u>	<u>167,540</u>	<u>55,203</u>	<u>62,249</u>	<u>432,015</u>	<u>110,546</u>	<u>542,561</u>
Operating expenses:								
Snow removal and landscaping expense		2,883	1,458	4,778		9,119		9,119
Outside services	3,000					3,000	42,624	45,624
Program grants and stipends	273,475					273,475		273,475
Supplies	1,000	2,332	9,334	4,464	3,617	20,747	1,258	22,005
Equipment rental		604	5,120	823	279	6,826		6,826
Telephone	158	1,268	2,394	458	187	4,465	1,326	5,791
Transportation	206	109	13,966	10,614		24,895	397	25,292
Utilities	4,469	15,652	10,783	6,669	24,747	62,320	3,330	65,650
Printing	107	286	568	89	43	1,093		1,093
Conferences, meetings, dues		8,956	1,075	1,167	115	11,313	944	12,257
Insurance		5,996	15,440		15,991	37,427	7,087	44,514
Rent							1,800	1,800
Repairs and maintenance		3,085	2,125	3,015	4,511	12,736	3,050	15,786
Depreciation		19,377	8,612	6,459	8,612	43,060	1,217	44,277
Professional fees							14,705	14,705
Miscellaneous	1,133	3,649	578	229	3,060	8,649	5,701	14,350
Total operating expenses	<u>283,548</u>	<u>64,197</u>	<u>71,453</u>	<u>38,765</u>	<u>61,162</u>	<u>519,125</u>	<u>83,439</u>	<u>602,564</u>
Total functional expenses	<u>\$371,145</u>	<u>\$123,623</u>	<u>\$238,993</u>	<u>\$93,968</u>	<u>\$123,411</u>	<u>\$951,140</u>	<u>\$193,985</u>	<u>\$1,145,125</u>

See notes to financial statements.

BOYS & GIRLS CLUB OF EAST PROVIDENCE, INC.**STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	(\$92,624)	\$199,520
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Allowance for uncollectible accounts	44,954	
Depreciation	59,257	44,277
In-kind income for capitalized asset		(14,144)
Loss on disposal of assets	960	1,400
Increase (decrease) in cash from changes in assets and liabilities:		
Other receivables	(9,983)	(10,510)
Pledges receivable	73,000	(104,236)
Prepaid expenses	2,226	(553)
Accounts payable	32,016	32,359
Grants payable	(63,525)	94,171
Accrued expenses	(918)	1,693
Total adjustments	<u>137,987</u>	<u>44,457</u>
<i>Net cash provided by operating activities</i>	<u>45,363</u>	<u>243,977</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for purchases of property and equipment	(87,611)	(410,831)
<i>Net cash used for investing activities</i>	<u>(87,611)</u>	<u>(410,831)</u>
DECREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(42,248)	(166,854)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>144,711</u>	<u>311,565</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u><u>\$102,463</u></u>	<u><u>\$144,711</u></u>

See notes to financial statements.

BOYS & GIRLS CLUB OF EAST PROVIDENCE, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

1. STATEMENT OF ORGANIZATION AND NATURE OF ACTIVITIES

The Boys & Girls Club of East Providence, Inc. (the Organization) was established in November, 1935 as a not-for-profit Rhode Island corporation. The Organization provides daycare, as well as other youth and elderly educational, recreational, and care programs, to the residents of the Providence County area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of accounting - The Organization uses the accrual method of accounting in accordance with generally accepted accounting principles. The information regarding its financial position is presented as unrestricted net assets in accordance with Financial Accounting Standards Board's Accounting Standards Codification (ASC) No. 958.

Basis of presentation - Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. As of December 31, 2011 and 2010, none of the Organization's assets were permanently restricted.

Cash and cash equivalents - The Organization considers all highly liquid debt instruments purchased with a maturity of three-months or less to be cash equivalents. The Organization maintains cash balances at local commercial banks. Cash accounts at the institutions, are insured by the Federal Deposit Insurance Corporation up to \$250,000.

Other receivables and allowance for uncollectible accounts - Other receivables from parents of day-care students, and the State of Rhode Island, are reported for outstanding balances due for daycare and other program services. At December 31, 2011, management has determined that an allowance for uncollectible accounts totaling \$44,954 should be recorded.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment - Property and equipment are recorded at cost. The fair value of donated fixed assets is similarly capitalized. Minor additions are expensed in the year incurred. Major additions in dollar amounts generally greater than \$500 are capitalized and depreciated using the straight-line method over the estimated useful lives of the assets, generally three to seven years, excluding building and improvements, which are depreciated over thirty-nine and fifteen years, respectively.

Promises to give – Contributions are recognized as support when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in “unrestricted net assets” if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in “temporarily restricted net assets” depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are “released from restrictions” and reclassified to unrestricted net assets.

Support and revenue recognition - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Legally enforceable grants, pledges, and revenues are recorded in the year that they are made. Funds not collected at the end of each year on such grants, pledges, and revenues are included in the accompanying statement of financial position as pledges and other receivables.

Advertising costs – Advertising, promotional, and marketing costs are expensed in the period incurred. Total advertising costs included within various functional expenses for the years ended December 31, 2011 and 2010 totaled \$1,786 and \$1,327, respectively.

Employee benefit plan - The Organization maintains a defined contribution retirement plan covering all eligible employees. The plan qualifies under Section 401(a) of the Internal Revenue Code and provides for an employer contribution equal to 5% of eligible employee compensation. The Organization contributed \$12,631 and \$12,901 to the plan for the years ended December 31, 2011 and 2010, respectively.

Income taxes - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). Accordingly, no provision for federal or state income taxes has been recorded in the accompanying financial statements.

The Organization evaluates all significant tax positions as required by generally accepted accounting principles in the United States. As of December 31, 2011, the Organization does not believe that it has taken any tax positions that would require the recording of any additional tax liability, nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Organization’s federal tax returns are subject to examination by the Internal Revenue Service, and generally remain subject to such an examination for three years after the filing of the Organization’s tax returns.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations of risk - The Organization receives a significant amount of its support from the State of Rhode Island relative to operating the Organization's daycare program. Accordingly, legislative budgets could significantly impact the amount of support received, and thus, the continued existence of the Organization's daycare program. Reimbursements (support) for subsidized daycare from the State of Rhode Island are included in daycare fees on the statement of activities.

Use of estimates - Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could vary from the estimates that are used.

In-kind contributions - Certain services, facilities, and equipment are donated to the Organization. Contributions of donated services, facilities, and equipment that create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals possessing those skills or items, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the statement of activities. During the years ended December 31, 2011 and 2010 the Organization received the benefit of in-kind services, facilities, and equipment. An estimate of the fair value of these in-kind services, facilities, and equipment has been recorded in the accompanying financial statements for 2011 and 2010 (See Note 7).

3. PLEDGES RECEIVABLE

Conditional promises to give to the Organization, in which the conditions are met as of the end of the year, are included in the accompanying statement of financial position as pledges receivable. All pledges receivable are expected to be collected in the year subsequent to being reported as a receivable. Management does not consider it necessary to provide an allowance for doubtful accounts for pledges receivable as of December 31, 2011 and 2010.

4. PROPERTY AND EQUIPMENT

At December 31, 2011 and 2010, property and equipment consists of the following:

	<u>2011</u>	<u>2010</u>
Buildings and improvements	\$847,076	\$847,076
Williams Avenue building addition	1,255,120	1,172,270
Camp improvements	393,277	393,277
Land	104,453	104,453
Furniture and fixtures	33,726	92,667
Vehicles	78,781	78,781
Office equipment	35,909	34,913
Recreation equipment	34,011	30,897
Computer laboratory equipment	35,000	35,000
Total cost of property and equipment	<u>2,817,353</u>	<u>2,789,334</u>
Less accumulated depreciation	<u>(1,031,096)</u>	<u>(1,030,471)</u>
Property and equipment, net	<u>\$1,786,257</u>	<u>\$1,758,863</u>

The Organization has committed to constructing an addition to the existing building on Williams Avenue in East Providence, Rhode Island. It is estimated that the final phase of the construction will cost an additional \$200,000. Management expects that the funding of future construction costs will be primarily funded with grants from the Champlin Foundation and the City of East Providence.

Since commencing construction activities in 2005, grant proceeds received for this specific purpose total \$1,209,000. All of such funds have been utilized by the Organization to fund the construction costs incurred to date.

The Organization also received another grant from the Champlin Foundation to replace vehicles. Grant proceeds received for this purpose totaled \$50,000. No funds have been disbursed for this purpose as of December 31, 2011, and as such, are reflected in the restricted cash balance on the accompanying statement of financial position (See Note 5).

The funds received from the Champlin Foundation are subject to withdrawal provisions if certain conditions of the grant agreement are not met.

5. TEMPORARILY RESTRICTED NET ASSETS

When a restriction expires, temporarily restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same calendar year in which the contribution is received, the support is initially listed as unrestricted.

5. TEMPORARILY RESTRICTED NET ASSETS (Continued)

At December 31, 2011 and 2010, temporarily restricted net assets consists of the following:

	<u>2011</u>	<u>2010</u>
Cash – Champlin Foundation grants	\$50,000	\$80,841
Other receivable		10,290
	<hr/>	<hr/>
Total	<u>\$50,000</u>	<u>\$91,131</u>

Net assets were released from donor restrictions by paying expenses satisfying the restricted purpose, or by the occurrence of other events specified by donors, as follows:

	<u>2011</u>	<u>2010</u>
Contributions used for building addition	<u>\$91,131</u>	<u>\$369,159</u>

There were no permanently restricted net assets at December 31, 2011 or 2010.

6. SPECIAL EVENTS

The Organization, from time to time, holds special fundraising events to promote and further the Organization's mission and tax-exempt purpose. Revenue and expenses during the years ended December 31, 2011 and 2010, are detailed as follows:

	<u>2011</u>	<u>2010</u>
Gross special event revenue	\$15,198	\$517
Less: direct benefit to donors (expenses)	<u>7,070</u>	<u>75</u>
	<hr/>	<hr/>
Special events, net	<u>\$8,128</u>	<u>\$442</u>

7. IN-KIND INCOME

During the years ended December 31, 2011 and 2010, the Organization was provided with in-kind services, facilities, and equipment. The fair value of such contributions is estimated to be \$5,877 and \$18,944, respectively. The in-kind contributions are included in the financial statements as revenue and applicable expense and fixed asset categories.

8. RELATED PARTY TRANSACTION

There is a member of the Board of Directors who is a partner at the insurance agency which provides the Organization's insurance needs.

9. OPERATING LEASE AGREEMENTS

The Organization is obligated under a ten-year lease agreement for its summer day camp location, which will expire on February 28, 2013. Future minimum lease payments amount to \$10 for each of the years ended December 31, 2011 through December 31, 2013. The Organization is also obligated to manage and maintain the camp facilities during the summer operations in accordance with the highest standards of cleanliness and recreational practices.

10. INSURANCE CLAIM

During the year ended December 31, 2010, the Organization sustained flood damage to the interior of the main building, as well as to office furniture and equipment housed inside the building. The Organization filed a claim with their insurance provider for the related replacement costs, and as a result, received \$109,671 in insurance proceeds. The costs incurred to repair and replace the damage totaled \$100,497. The net gain realized from this casualty totaled \$9,174, and is reported on the statement of activities and changes in net assets as "other income". During the year ended December 31, 2011, the Organization received an additional \$10,922 in insurance proceeds which is also reported on the statement of activities and changes in net assets as "other income".

11. EVALUATION OF SUBSEQUENT EVENTS

The Company has evaluated subsequent events through October 17, 2012, the date that the financial statements were available to be issued.