

RISING TIDE CAPITAL, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2009 AND 2008

RISING TIDE CAPITAL, INC.

DECEMBER 31, 2009 AND 2008

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Financial Statements:	
Statements of Financial Position.....	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5-6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8-13
Supplementary Information:	
Schedule of Expenditures of Federal and State Awards.....	14
Note to the Schedule of Expenditures of Federal and State Awards	15
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	16-17
Schedule of Findings and Questioned Costs.....	18

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Rising Tide Capital, Inc,
Jersey City, New Jersey

We have audited the accompanying statements of financial position of Rising Tide Capital, Inc. (a not-for-profit corporation) (the "Organization") as of December 31, 2009 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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. The financial statements of the Organization as of December 31, 2008, were audited by other auditors whose report dated April 12, 2010, expressed an unqualified opinion on those statements.

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 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 the 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 2009 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2009, and the changes in its net assets and in its cash flows for the year 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 our report dated August 20, 2010 on our consideration of the Organization's internal control over financial reporting and our tests 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 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Organization's basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey Office of Management and Budget Circular Letter 04-04 Compliance Supplement, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


Certified Public Accountants

August 20, 2010
Livingston, New Jersey

RISEING TIDE CAPITAL, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2009	2008
<hr/>		
ASSETS		
CURRENT ASSETS:		
Cash	\$ 114,608	\$ 35,042
Accounts receivable	159,271	-
Prepaid insurance	1,388	-
Total Current Assets	<hr/> 275,267	<hr/> 35,042
 PROPERTY AND EQUIPMENT, Net	 29,850	 7,029
	<hr/>	<hr/>
	\$ 305,117	\$ 42,071
	<hr/>	<hr/>
 LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 26,373	\$ 12,898
	<hr/>	<hr/>
COMMITMENTS AND CONTINGENCIES		
 NET ASSETS:		
Unrestricted	113,744	29,173
Temporarily restricted	165,000	-
Total Net Assets	<hr/> 278,744	<hr/> 29,173
	<hr/>	<hr/>
	\$ 305,117	\$ 42,071
	<hr/>	<hr/>

RISING TIDE CAPITAL, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	Year Ended December 31, 2009			Year Ended December 31, 2008		
	Temporarily Restricted		Total	Temporarily Restricted		Total
	Unrestricted	Restricted		Unrestricted	Restricted	
PUBLIC SUPPORT, REVENUE AND OTHER:						
Program fees	\$ 15,798	\$ -	\$ 15,798	\$ 16,980	\$ -	\$ 16,980
Grants and fees from governmental agencies	310,700	-	310,700	103,512	-	103,512
Contributions	199,304	165,000	364,304	232,607	-	232,607
Donated services	82,473	-	82,473	61,204	-	61,204
Other revenue	738	-	738	-	-	-
Total Public Support, Revenue and Other	609,013	165,000	774,013	414,303	-	414,303
EXPENSES:						
Program services	387,235	-	387,235	287,190	-	287,190
Fundraising	60,373	-	60,373	42,794	-	42,794
Management and general	76,834	-	76,834	85,170	-	85,170
Total Expenses	524,442	-	524,442	415,154	-	415,154
CHANGE IN NET ASSETS	84,571	165,000	249,571	(851)	-	(851)
Net Assets, Beginning of year	29,173	-	29,173	30,024	-	30,024
Net Assets, End of year	\$ 113,744	\$ 165,000	\$ 278,744	\$ 29,173	\$ -	\$ 29,173

The accompanying notes are an integral part of these financial statements.

RISEING TIDE CAPITAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2009

	Program Services	Fund Raising	Management and General	Total Expenses
Salaries	\$ 218,336	\$ 39,203	\$ 28,615	\$ 286,154
Payroll taxes	20,888	3,655	3,570	28,113
Employee benefits	15,314	2,580	1,884	19,778
Subtotal	254,538	45,438	34,068	334,044
Professional fees	31,132	3,059	31,873	66,064
Occupancy	23,302	2,305	1,692	27,299
Equipment, software and supplies	14,153	1,844	1,785	17,782
Program seminar and events	44,990	1,485	1,099	47,575
Program marketing and outreach	2,038	-	-	2,038
Printing and postage	611	3,349	646	4,606
Travel and meetings	-	1,110	1,219	2,329
Staff training and professional development	6,546	-	-	6,546
Repairs and maintenance	4,245	762	556	5,563
Insurance	-	-	1,607	1,607
Depreciation	5,680	1,020	744	7,444
Interest	-	-	344	344
Miscellaneous	-	-	1,201	1,201
	\$ 387,235	\$ 60,373	\$ 76,834	\$ 524,442

RIISING TIDE CAPITAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2008

	Program Services	Fund Raising	Management and General	Total Expenses
Salaries	\$ 168,001	\$ 32,597	\$ 50,150	\$ 250,748
Payroll taxes	14,938	3,160	6,213	24,311
Employee benefits	9,583	1,597	1,106	12,286
Subtotal	192,522	37,354	57,468	287,344
Professional fees	8,336	-	12,695	21,031
Occupancy	17,598	295	5,168	23,061
Equipment, software and supplies	12,259	1,618	1,470	15,347
Program seminar and events	40,550	1,369	2,113	44,032
Program marketing and outreach	1,473	-	-	1,473
Printing and postage	176	95	95	366
Travel and meetings	-	368	368	736
Staff training and professional development	5,465	-	-	5,465
Repairs and maintenance	6,393	1,240	1,908	9,541
Insurance	612	119	2,426	3,157
Depreciation	916	164	120	1,200
Interest	-	-	156	156
Miscellaneous	890	172	1,183	2,245
	\$ 287,190	\$ 42,794	\$ 85,170	\$ 415,154

RISEING TIDE CAPITAL, INC.
STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2009	2008
CASH FLOWS PROVIDED BY (USED FOR) :		
<u>OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 249,571	\$ (851)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,444	1,200
Changes in certain assets and liabilities:		
Accounts receivable	(159,271)	-
Prepaid insurance	(1,388)	-
Accounts payable and accrued expenses	13,475	12,898
Net Cash Provided by Operating Activities	<u>109,831</u>	<u>13,247</u>
<u>INVESTING ACTIVITIES:</u>		
Purchases of property and equipment	<u>(30,265)</u>	<u>(8,229)</u>
NET INCREASE IN CASH	79,566	5,018
CASH		
Beginning of year	<u>35,042</u>	<u>30,024</u>
End of year	<u><u>\$ 114,608</u></u>	<u><u>\$ 35,042</u></u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:

Cash paid during the year for interest	<u><u>\$ 344</u></u>	<u><u>\$ 156</u></u>
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RISEING TIDE CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1 - NATURE OF ORGANIZATION:

Rising Tide Capital, Inc. (the "Organization") is a corporation organized to facilitate economic development through entrepreneurship. The Organization's mission is to assist struggling entrepreneurs and distressed communities through the development of strong businesses that transform lives, strengthen families and create thriving, sustainable neighborhoods. The Organization's vision is to build a replicable model for high-quality entrepreneurial development services that can be locally adopted in other low-income communities to be used for social and economic empowerment.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America under the *FASB Accounting Standards Codification*.

Financial Statement 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

Unrestricted net assets are net assets that are not subject to donor-imposed stipulations. Unrestricted net assets are those currently available for use by the Organization's Board of Trustees.

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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 any related investments for general or specific purposes.

RIISING TIDE CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Fair Value:

Fair value measurements are defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three defined hierarchical levels based on the quality of inputs used that directly relate to the amount of subjectivity associated with the determination of fair value.

The fair value hierarchy defines the three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk (or other parties such as counterparty in a swap) in its assessment of fair value. Financial assets and liabilities are carried at fair value at December 31, 2009.

Accounts Receivable:

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization charges uncollectible accounts receivable to operations when determined to be uncollectible. At December 31, 2009, an allowance was not deemed necessary.

Property and Equipment:

Fixed assets are recorded at cost on the date of acquisition, or at the fair market value of the asset using Level 2 inputs, based on values of comparable assets, at the date of gift, for donated assets. Property and equipment are depreciated using the straight-line method over their estimated useful lives ranging from 3 to 7 years. In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as unrestricted support. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs and minor renewals are charged to operations as incurred; significant renewals or maintenance and repairs that are greater than \$1,000 are capitalized when they increase the useful life of the asset.

RISEING TIDE CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributions:

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions with restrictions that are met in the same reporting period as they are received are reported as unrestricted support.

Donated Property, Goods and Services:

Amounts are reported in the financial statements for voluntary donations of services when those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and which would be typically purchased if not provided by donation. Donated property, goods and services are recorded as contributions at their estimated fair value at the date of donation. The Organization used "Level 2" inputs, based on the market value of similar properties, goods and services, to estimate the fair value of the donated property, goods and services.

Functional Allocation of Expenses:

Program services, management and general and fundraising expenses have been recorded in the statements of activities and changes in net assets and on the statements of functional expenses based on both a direct costing method for those expenses directly attributable to a particular program or on an allocation basis based on the salary percentage of each program to total salaries for joint costs attributable to all functions. The Organization's management allocated general and administrative expenses based upon management's best estimates.

Income Taxes:

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization follows accounting standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on de-recognition, classification, interest and penalties, disclosure and transition. Tax returns for certain years are subject to audit by federal and state jurisdictions. At December 31, 2009, there are no significant income tax uncertainties that are expected to have a material impact on the Organization's 2009 financial statements.

RIISING TIDE CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Use of Estimates:

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that 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 reporting period. Actual results could differ from those estimates.

Revenue Recognition:

Funds received from various federal, and state agencies represent grants awarded to Rising Tide Capital, Inc. to provide program services. Revenue with respect to these awards is recognized to the extent of expenses incurred under the award terms. Upon completion or expiration of a grant, unexpended funds are not available to Rising Tide Capital, Inc. and must be returned to the awarding agency.

Reclassifications:

Certain amounts have been reclassified in the 2008 financial statements to conform to the 2009 presentation.

Subsequent Events:

The Organization has evaluated events subsequent to the statement of financial position date as of December 31, 2009 through August 20, 2010, the date that the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE 3 - PROPERTY AND EQUIPMENT:

Equipment consists of the following:

	December 31,	
	2009	2008
Furniture and fixtures	\$ 1,800	\$ 1,800
Computer software and hardware	36,694	6,429
	38,494	8,229
Less: Accumulated depreciation	8,644	1,200
Property and Equipment, Net	\$ 29,850	\$ 7,029

RISEING TIDE CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 4 - LINE OF CREDIT:

The Organization had a revolving term note which expired on July 15, 2010 and provided for maximum borrowings of \$100,000. Borrowings under this credit agreement bears interest at one-half percent below The Wall Street Journal Prime Rate (3.25% at December 31, 2009). There were no amounts outstanding as of December 31, 2009.

NOTE 5 - NON-CASH DONATIONS:

During the years ended December 31, 2009 and 2008, the Organization received non-cash donations of property, goods and services and free use of facilities that have been reflected in the accompanying financial statements.

The amount of donated property, goods and services for the years ended December 31, 2009 and 2008 was \$82,473 and \$61,204, respectively, which included \$30,265 and \$8,229, respectively, of in-kind contributions of fixed assets and \$6,000 and \$6,400, respectively, of in-kind services of professional services. Amounts have been recorded in the accompanying financial statements for the fair market value of the donated facilities (\$46,208 and \$46,275 for the years ended December 31, 2009 and 2008, respectively) for various program and administrative functions. The use of the facility, where the Organization operates, was donated by the Jersey City Economic Development Corporation which owns the real property and most of the personal property at the site. All operating and maintenance expenses for the facilities are the responsibility of the Organization.

The Organization also regularly receives services from volunteers who are not acting in a professional capacity; such volunteer services do not meet the criteria for financial statement recognition and are not included in the financial statements.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS:

At December 31, 2009 and 2008, the Organization has \$165,000 and \$0-, respectively, in temporarily restricted net assets comprised of contributions restricted by time.

RISEING TIDE CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 7 - CONCENTRATIONS OF RISK:

Support and Revenue:

The Organization received a substantial portion of its revenues from federal and state programs. The Organization received approximately 51% and 25% for the years ended December 31, 2009 and 2008, respectively, from government grants. A material reduction of such support could have a significant impact on the Organization's operations. Management, however, does not expect that its support will be materially reduced. The Organization is also subject to audits by certain State and Federal departments which may result in findings based on various issues. Anticipation of potential audit results is currently not determinable. Accordingly, no accruals have been recorded in the financial statements for any adjustments that might be required based on potential future audits.

Cash:

The Organization maintains cash balances at various financial institutions, which at times, may be in excess of federally insured limits.

NOTE 8 - RETIREMENT PLAN:

The Organization established a 401(k) retirement plan that covers substantially all employees meeting the Plan's eligibility requirements. Employees' contributions to the Plan are via payroll deduction and the Organization does not match employee contributions.

NOTE 9 - TAX RETURNS:

At December 31, 2009 and 2008, all required tax returns have been filed.

RIISING TIDE CAPITAL, INC.
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2009

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Grant ID Number	Program Award Amount	Current Year Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Passed through Community Development Agencies:					
Block Grants:					
Jersey City	14.218	4/1/09 - 3/31/10	51-200-56-851-631	\$ 100,000	\$ 36,873
U.S. SMALL BUSINESS ADMINISTRATION					
Program for Investment in Microentrepreneurs Act of 1999 ("PRIME")					
Total Federal Awards	59.05	9/30/09 - 9/29/10	SBAHQ-09-Y-0115	100,000	17,462
				\$ 200,000	\$ 54,335
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS					
Passed through City of Jersey City:					
Urban Enterprise Zone program	N/A	3/12/08 - 3/31/09	08-127	\$ 125,000	\$ 36,088
	N/A	3/10/09 - 3/31/10	09-118	250,000	220,277
Total State Awards				\$ 375,000	\$ 256,365
Total Federal and State Awards				\$ 575,000	\$ 310,700

See independent auditors' report.

RISEING TIDE CAPITAL, INC.
NOTE TO THE SCHEDULE OF
EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2009

NOTE 1 - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and New Jersey OMB Circular Letter 04-04. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
Rising Tide Capital, Inc.
Jersey City, New Jersey

We have audited the financial statements of Rising Tide Capital, Inc. (the "Organization") as of and for the year ended December 31, 2009, and have issued our report thereon dated August 20, 2010. 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 of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Rising Tide Capital, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not to provide an opinion on effectiveness of Rising Tide Capital, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Rising Tide Capital, Inc.'s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the board of trustees, management, and the relevant governmental agencies, and is not intended to be and should not be used by anyone other than these specified parties.


Certified Public Accountants

August 20, 2010
Livingston, New Jersey

RISEING TIDE CAPITAL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2009

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued (unqualified, qualified, adverse, or disclaimer)

Internal control over financial reporting:

- Material weakness(es) identified: ☐ Yes ☒ No
- Significant deficiency(ies) identified
that are not considered to be
material weaknesses ☐ Yes ☒ No
- Noncompliance material to
financial statements noted ☐ Yes ☒ No

Auditee did not qualify as a low-risk auditee because this is an initial audit under *Government Auditing Standards*.

II. FINANCIAL STATEMENTS AND COMPLIANCE FINDINGS:

NONE

III. STATUS OF PRIOR YEAR AUDIT FINDINGS:

NONE