



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
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October 14, 2011

Board of Directors
Guerin, Inc.
8037 Unruh Drive
Georgetown, IN 47122

We have reviewed the audit report prepared by Deming, Malone, Livesay & Ostroff, Independent Public Accountants, for the period September 1, 2008 to August 31, 2009. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Guerin, Inc., as of August 31, 2009, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

**GUERIN, INC. AND
THE MEADOWS OF GUERIN, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Years Ended August 31, 2009 and 2008

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Guerin, Inc. and The Meadows of Guerin, Inc.
Georgetown, Indiana

We have audited the accompanying consolidated statements of financial position of Guerin, Inc. and The Meadows of Guerin, Inc. (Affiliate) (not-for-profit organizations) as of August 31, 2009 and 2008, and the related consolidated statements of activities 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 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Guerin, Inc. and Affiliate as of August 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Deming, Malone, Livesay & Ostroff

Louisville, Kentucky
January 14, 2010

GUERIN, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

August 31, 2009 and 2008

ASSETS	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 30,454	\$ 57,567
Receivables	8,212	340
Related party receivable	80	
Grant receivable		130,000
Interest receivable	<u>5,716</u>	<u>1,424</u>
Total current assets	<u>44,462</u>	<u>189,331</u>
PROPERTY AND EQUIPMENT, at cost		
Land and improvements	639,822	594,191
Building and improvements	7,863,347	6,071,899
Furniture and fixtures	<u>271,081</u>	<u>236,722</u>
	8,774,250	6,902,812
Less accumulated depreciation	<u>837,710</u>	<u>623,458</u>
	<u>7,936,540</u>	<u>6,279,354</u>
OTHER ASSETS		
Certificates of deposit	677,438	390,000
Cash - reserve funds	54,208	38,613
Cash - security deposits	<u>13,478</u>	<u>8,303</u>
	<u>745,124</u>	<u>436,916</u>
TOTAL ASSETS	<u>\$ 8,726,126</u>	<u>\$ 6,905,601</u>

See Notes to Consolidated Financial Statements.

LIABILITIES AND NET ASSETS	<u>2009</u>	<u>2008</u>
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 38,459	\$ 18,720
Accounts payable	86,298	24,299
Accrued expenses	<u>1,922</u>	<u>1,974</u>
Total current liabilities	<u>126,679</u>	<u>44,993</u>
LONG-TERM LIABILITIES		
Security deposits	13,478	8,303
Construction loan	480,815	500,000
Long-term debt, less current maturities	497,922	517,162
Related party note	<u>406,100</u>	<u>402,100</u>
Total long-term liabilities	<u>1,398,315</u>	<u>1,427,565</u>
Total liabilities	<u>1,524,994</u>	<u>1,472,558</u>
NET ASSETS		
Unrestricted	7,080,864	5,433,043
Temporarily restricted	<u>120,268</u>	<u>5,433,043</u>
	<u>7,201,132</u>	<u>5,433,043</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$8,726,126</u></u>	<u><u>\$6,905,601</u></u>

GUERIN, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended August 31, 2009 and 2008

	2009		
	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support:			
Grants and contributions revenue	\$ 1,761,289	\$ 260,433	\$ 2,021,722
Rental income	123,319		123,319
In-kind rental income	305,000		305,000
Interest income	20,564		20,564
Total revenues, gains and other support	2,210,172	260,433	2,470,605
Net assets released from restriction	140,165	(140,165)	
Total revenues, gains and other support	2,350,337	120,268	2,470,605
Expenses:			
Depreciation	214,252		214,252
Contribution expense	305,000		305,000
Contract services	50,792		50,792
Management fees	25,397		25,397
Repairs and maintenance	9,616		9,616
Insurance	11,912		11,912
Utilities	19,961		19,961
Professional fees	16,573		16,573
Travel	26		26
Small equipment	437		437
Supplies	11,023		11,023
Advertising	2,827		2,827
Postage	334		334
Interest	26,156		26,156
Miscellaneous	8,210		8,210
Total expenses	702,516		702,516
Net increase (decrease) in total net assets	1,647,821	120,268	1,768,089
Net assets at beginning of year	5,433,043		5,433,043
Net assets at end of year	\$ 7,080,864	\$ 120,268	\$ 7,201,132

See Notes to Consolidated Financial Statements.

2008

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 1,587,159		\$ 1,587,159
101,494		101,494
120,000		120,000
9,452		9,452
1,818,105		1,818,105
250,000	\$ (250,000)	
<u>2,068,105</u>	<u>(250,000)</u>	<u>1,818,105</u>
150,602		150,602
120,000		120,000
62,671		62,671
24,000		24,000
23,238		23,238
9,521		9,521
19,400		19,400
12,494		12,494
697		697
1,066		1,066
7,778		7,778
3,605		3,605
459		459
24,768		24,768
8,726		8,726
<u>469,025</u>		<u>469,025</u>
1,599,080	(250,000)	1,349,080
<u>3,833,963</u>	<u>250,000</u>	<u>4,083,963</u>
<u>\$ 5,433,043</u>	<u>\$</u>	<u>\$ 5,433,043</u>

GUERIN, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended August 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Net increase in total net assets	\$ 1,768,089	\$ 1,349,080
Adjustments to reconcile net increase in total net assets to net cash provided by operating activities:		
Depreciation	214,252	150,602
Grants and contributions received for long-term purposes	(2,113,704)	(1,562,159)
Changes in assets and liabilities:		
(Increase) decrease in:		
Receivables	122,128	120,050
Interest receivable	(4,292)	1,516
Increase (decrease) in:		
Accounts payable	19,407	3,928
Accrued expenses	(52)	(74)
Payable to related party	2,820	(8,514)
Total adjustments	<u>(1,759,441)</u>	<u>(1,294,651)</u>
Net cash provided by operating activities	<u>8,648</u>	<u>54,429</u>
Cash flows from investing activities:		
Increase in reserve funds	(15,595)	(971)
Proceeds from redemption of certificates of deposit	490,995	202,240
Purchase of certificate of deposit	(778,433)	(388,346)
Purchases of property and equipment	<u>(1,827,746)</u>	<u>(2,366,062)</u>
Net cash used in investing activities	<u>(2,130,779)</u>	<u>(2,553,139)</u>
Cash flows from financing activities:		
Grants and contributions received for long-term purposes	2,113,704	1,562,159
Proceeds from long-term debt		500,000
Proceeds from related party		400,000
Payments on long-term debt	<u>(18,686)</u>	<u>(18,116)</u>
Net cash provided by financing activities	<u>2,095,018</u>	<u>2,444,043</u>
Net decrease in cash and cash equivalents	(27,113)	(54,667)
Cash and cash equivalents at beginning of year	<u>57,567</u>	<u>112,234</u>
Cash and cash equivalents at end of year	<u>\$ 30,454</u>	<u>\$ 57,567</u>
Supplemental disclosures of cash flow information:		
Interest paid	<u>\$ 22,208</u>	<u>\$ 22,742</u>

See Notes to Consolidated Financial Statements.

GUERIN, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Description of Organization and Summary of Significant Accounting Policies

Description of organization:

Guerin, Inc. (Guerin) is a not-for-profit organization that provides assistance, by way of residential facilities and life skill services, to persons in need. Guerin's goal is to provide decent, affordable housing to the low and moderate income families. Guerin has carried out this mission principally through the construction of group homes and multi-family housing located throughout Floyd County, Indiana. These facilities are utilized and managed by a related not-for-profit organization that provides program services to the needy. Guerin is supported primarily through grants, rents and contributions from the general public.

The Meadows of Guerin, Inc. (Affiliate) is a not-for-profit corporation organized for the purpose of developing and operating rental housing units for the elderly in Georgetown, Indiana. The Corporation operates under the provision of Section 202 of the Housing Act of 1959 and the appropriate regulations. The Meadows began operations in April 2009 and completed its HUD cost certification as of May 31, 2009.

Summary of significant accounting policies:

This summary of significant accounting policies of Guerin and Affiliate are presented to assist in understanding Organizations' financial statements. The financial statements are representations of Organizations' management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Principles of consolidation:

The accompanying consolidated financial statements, as of and for the years ended August 31, 2009 and 2008, include the accounts of Guerin, Inc. and The Meadows of Guerin, Inc. Consolidation is required based on Guerin's control to appoint the Board of Directors of the Affiliate. All inter-company balances and transactions have been eliminated in consolidation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Cash and cash equivalents:

Unrestricted demand deposits and interest bearing checking accounts intended to be used for current operations are classified as cash and cash equivalents.

Receivables:

The valuation of accounts and grants receivable is based upon a detail analysis of past due accounts and the history of uncollectible accounts. Estimated uncollectible accounts increase the allowance for doubtful accounts and when the receivable is written off, the allowance for doubtful accounts is decreased. Receivables are considered fully collectable, therefore, no allowance has been recorded.

Property, equipment and depreciation:

Guerin and Affiliate have a policy to capitalize property and equipment with a cost of \$1,000 or greater with a useful life greater than one year. Purchased property and equipment is stated at cost. Donated property and equipment is stated at fair market value as of the date of donation. Depreciation of property and equipment is computed by the straight-line method over their estimated useful lives. When assets are sold or retired, the cost and related depreciation is eliminated from the accounts and any resulting gain or loss is included in the statement of activities.

Donations:

Donations other than cash are recorded at their fair market value as of the date of donation. Donated services must meet the specific expertise requirements and would normally have been purchased before they are recorded. Donations of long-lived assets with explicit restrictions that specify how the assets are to be used and donations of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organizations report expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Assets restricted by donors for future use are classified as temporarily restricted. When a donor's temporary restriction expires, those net assets are reclassified to unrestricted net assets. Temporarily restricted donations are treated as unrestricted if the restriction expires in the same period as it is received.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Conditional promises to give, which depend on the occurrence of specified future and uncertain events to bind the promise, are recognized when the conditions on which they depend are substantially met.

Functional classification:

Total expenses reported on the Statement of Activities by functional classification are as follows:

	<u>2009</u>	<u>2008</u>
Program services	\$667,995	\$441,610
Management and general	29,686	22,577
Fund-raising	<u>4,835</u>	<u>4,838</u>
	<u>\$702,516</u>	<u>\$469,025</u>

Use of estimates:

The preparation of 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 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.

Income taxes:

Guerin and Affiliate are exempt from federal income taxes as described under section 501(c)(3) of the Internal Revenue Code.

Advertising expense:

Advertising costs are expensed as incurred.

Subsequent event:

Subsequent events have been evaluated through January 14, 2010, which is the date the financial statements were available to be issued.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Related Party Transactions

Providence Self Sufficiency Ministries, Inc. (PSSM) operates certain of its programs and has its administrative offices in facilities owned by Guerin and also shares certain common Board members with Guerin. The estimated annual fair value of the space used by PSSM that is donated by Guerin is \$305,000 and \$120,000, included as in-kind rental income and contribution expense on the statements of activities for the years ended August 31, 2009 and 2008, respectively. PSSM also incurs certain shared expenses that are paid by PSSM and charged back to Guerin and the affiliate. As of August 31, 2009 and 2008, total amounts due to PSSM for shared expenses were approximately \$7,800 and \$1,100, respectively, and is included in accounts payable on the statements of financial position.

In August 2006, the Corporate Members of PSSM approved a recommendation to the Board of PSSM to loan \$400,000 to Guerin for the construction of permanent supportive housing facilities for senior citizens at its Georgetown, Indiana campus to be utilized by PSSM's programs. During the year ended August 31, 2008, the entire \$400,000 was advanced to Guerin. Under the loan agreement, interest shall accrue at 1% annually, with principal and interest payments to begin after three years upon completion of certain anticipated future construction projects. As of August 31, 2009 and 2008, accrued interest payable relating to the above note was \$6,100 and \$2,100, respectively.

In April 2009, The Meadows of Guerin, Inc. entered into a management agreement with PSSM to provide management and administrative services. During the year ended August 31, 2009, management fees to PSSM were approximately \$1,300 and are included in accounts payable on the statements of financial position.

Note 3. Certificates of Deposit

Guerin owns certificates of deposits at various financial institutions with varying interest rates and maturity dates. Certificates of deposits are stated at fair market value based on unadjusted quoted market prices within active markets (Level 1), which approximates cost.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Receivables

Receivables consist of the following:

	<u>2009</u>	<u>2008</u>
Paul Ogle Foundation Grant		\$125,000
Indiana Housing & Community Grant		5,000
Program services	<u>\$8,212</u>	<u>340</u>
	<u>\$8,212</u>	<u>\$130,340</u>

Note 5. Construction Projects

During the year ended August 31, 2008, Guerin started construction of a third 7,100-square-foot Villa, located on its Georgetown, Indiana campus that will function as an assisted-living and comprehensive-care facility for 10 senior citizens. The total construction cost of the third Villa will be approximately \$850,000. Funding for construction of the Villa will come from various grants and operating funds. Expected completion of the Villa is the spring of 2010. As of August 31, 2009 and 2008, Guerin had construction costs of approximately \$164,000 and \$24,000, respectively, and is included in buildings and improvements on the statements of financial position.

Note 6. Long-Term Debt

Long-term debt consists of the following:

	<u>2009</u>	<u>2008</u>
Indiana Housing and Community Development Authority, payable in semi-annual installments of \$8,037, including interest at a fixed rate of 1%. A balloon payment will be due October 2021 of all unpaid principal and interest. The note is collateralized by Guerin's real estate located in Georgetown, Indiana.	\$282,368	\$295,519

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>2009</u>	<u>2008</u>
Your Community Bank, payable in monthly installments of \$1,551 including interest at a fixed rate of 7.25%. A balloon payment will be due April 2021 of all unpaid principal and interest. The note is collateralized by Guerin's real estate located in Georgetown, Indiana.	199,555	203,355
Your Community Bank, payable in monthly installments of \$366, including interest at a fixed rate of 7.25%. The note matures in October 2021. The note is collateralized by Guerin's real estate located in Georgetown, Indiana.	<u>35,273</u>	<u>37,008</u>
	517,196	535,882
Less current maturities	<u>19,274</u>	<u>18,720</u>
	<u>\$497,922</u>	<u>\$517,162</u>

Guerin has a \$500,000 construction loan from Indiana Housing and Community Development Authority in connection with the construction of the Villas. The construction loan is non-interest bearing and will be converted into a 2% fixed rate permanent 15 year mortgage loan upon meeting the conversion conditions as indicated in the loan agreement which primarily include the completion of construction and substantial occupancy of the facility. In November 2009 Guerin had met the conversion conditions required to convert the construction loan to permanent financing. Monthly payments of \$3,218, including interest, will begin in January 2010.

Future maturities of long-term debt and construction loan are as follows:

Year ending August 31, 2010	\$ 38,459
2011	48,922
2012	50,145
2013	51,594
2014	52,845
Thereafter	<u>775,231</u>
	<u>\$1,017,196</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 7. Purchase Commitments

Guerin obtained an option in June 2004 to purchase a certain 11 acres of unimproved land in Georgetown, Indiana. The total purchase price of the land was \$285,000, which was to be paid as individual parcels were acquired. The option agreement provided that Guerin would pay interest on the unpaid balance of the purchase price. The interest rate was at prime. During the year ended August 31, 2009, Guerin purchased the remainder of the land for approximately \$46,000. Interest expense related to the option was \$1,796 and \$1,836 for the years ended August 31, 2009 and 2008, respectively.

Note 8. Advances and Restrictions

Guerin's two rental facilities in Georgetown, Indiana are limited by the Indiana Housing & Community Development Authority deed restrictions to low-income housing residents for a period of twenty years. The restrictions relating to the two rental facilities expire in the years 2025 and 2026. The Senior Center located in Georgetown, Indiana is limited to providing of senior services for a period of five years. The restriction expires in 2010. Failure to comply with the deed restrictions may result in a refundable balance due up to the original amounts of the grants of approximately \$2,200,000.

Guerin's two Villas in Georgetown, Indiana are limited by the Indiana Housing & Community Development Authority deed restrictions to low-income housing residents for a period of twenty years. The restrictions relating to the two Villas expire in the year 2028. Failure to comply with the deed restrictions may result in a refundable balance due up to the original amounts of the grant of approximately \$500,000.

The Meadows received a capital advance of \$2,500,000 under a Capital Advance Agreement in May 2008 from the U.S. Department of Housing and Urban Development under Section 202 of the National Affordable Housing Act. The advance bears no interest and repayment is not required so long as the housing remains available for very low-income housing residents. The capital advance is secured by a mortgage on the property. Failure to keep housing available for very low-income individuals for forty years will result in HUD billing the Meadows for the entire capital advance outstanding plus interest since the date of the first advance. The restriction will expire in the year 2048. Under the term of the HUD Agreement, Meadows is required to set aside specified amounts for replacements to structural elements or mechanical equipment of the facility. The reserve fund had a balance of \$14,628 as of August 31, 2009 and is held in a separate account and generally not available for operating purposes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Subsequent Event

Guerin signed a grant agreement on December 3, 2009 with the Indiana Housing and Community Development Authority for \$975,000 to start construction of a fourth 7100-square-foot Villa located on the Georgetown, Indiana campus. The Villa will function as assisted-living and comprehensive-care facility for 10 senior citizens.

Note 10. Concentration of Credit Risk

Guerin maintains cash and certificates of deposit balances at various financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At August 31, 2009, there were no uninsured balances.

Note 11. Restatement of Net Assets

The financial statements for the year ended August 31, 2008 have been restated to consolidate The Meadows of Guerin, Inc. (Meadows). During the year ended August 31, 2008, the Meadows had no operations but held cash, land, construction costs, accounts payable and a payable to Guerin, Inc. The payable to Guerin, Inc. of \$5,000 and a loss on the sale of land by Guerin, Inc. to the Meadows of \$39,852 were eliminated in consolidation for the year ended August 31, 2008. The consolidated net assets as of August 31, 2008 are as follows:

Net assets, as previously reported	<u>\$4,696,002</u>
Consolidating amounts:	
Cash	6,127
Land	83,173
Construction in progress	616,779
Accounts payable	(3,890)
Payable to Guerin, Inc.	(5,000)
Intercompany loss on sale of land	<u>39,852</u>
	<u>737,041</u>
Net assets, as restated	<u>\$5,433,043</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 12. Changes in Restricted Net Assets

Changes in temporarily restricted net assets were as follows:

<u>Contributions Restricted for</u>	<u>Balance 8/31/08</u>	<u>Contributions</u>	<u>Released</u>	<u>Balance 8/31/09</u>
Statue		\$ 5,646		\$ 5,646
Villa #3 Construction		254,787	\$(140,165)	114,622
		\$260,433	\$(140,165)	\$120,268
<u>Contributions Restricted for</u>	<u>Balance 8/31/07</u>	<u>Contributions</u>	<u>Released</u>	<u>Balance 8/31/08</u>
Villa #2 Construction	\$250,000		\$(250,000)	
	\$250,000		\$(250,000)	

Note 13. Reclassifications

Certain amounts in the financial statements for 2008 were reclassified to correspond with captions used for 2009, with no effect on previously reported net assets or changes in net assets.



INDEPENDENT AUDITORS' REPORT ON THE
SUPPLEMENTARY INFORMATION

To the Board of Directors
Guerin, Inc. and The Meadows of Guerin, Inc.
Georgetown, Indiana

Our report on our audit of the basic consolidated financial statements of Guerin, Inc. and Affiliate for the year 2009 appears on page 1. The audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary information on pages 15 and 16 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Deming, Malone, Livesay & Ostroff

Louisville, Kentucky
January 14, 2010

GUERIN, INC. AND AFFILIATE

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

August 31, 2009

ASSETS	<u>Guerin Inc.</u>	<u>The Meadows of Guerin, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 20,917	\$ 9,537		\$ 30,454
Receivables	402	7,810		8,212
Receivables- related parties	5,400	80	\$ (5,400)	80
Interest receivable	<u>5,716</u>	<u> </u>	<u> </u>	<u>5,716</u>
 Total current assets	 <u>32,435</u>	 <u>17,427</u>	 <u>(5,400)</u>	 <u>44,462</u>
 PROPERTY AND EQUIPMENT, at cost				
Land and improvements	516,797	83,173	39,852	639,822
Building and improvements	5,595,585	2,267,762		7,863,347
Furniture and fixtures	<u>261,400</u>	<u>9,681</u>	<u> </u>	<u>271,081</u>
	6,373,782	2,360,616	39,852	8,774,250
Less accumulated depreciation	<u>812,865</u>	<u>24,845</u>	<u> </u>	<u>837,710</u>
	<u>5,560,917</u>	<u>2,335,771</u>	<u>39,852</u>	<u>7,936,540</u>
 OTHER ASSETS				
Certificates of deposit	677,438			677,438
Cash - reserve funds	39,580	14,628		54,208
Cash - security deposits	<u>8,401</u>	<u>5,077</u>	<u> </u>	<u>13,478</u>
	<u>725,419</u>	<u>19,705</u>	<u> </u>	<u>745,124</u>
 Total assets	 <u>\$ 6,318,771</u>	 <u>\$ 2,372,903</u>	 <u>\$ 34,452</u>	 <u>\$ 8,726,126</u>

LIABILITIES AND NET ASSETS	<u>Guerin Inc.</u>	<u>The Meadows of Guerin, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT LIABILITIES				
Current maturities of long-term debt	\$ 38,459			\$ 38,459
Accounts payable	66,674	\$ 20,024	\$ (400)	86,298
Accrued expenses	1,922			1,922
Total current liabilities	<u>107,055</u>	<u>20,024</u>	<u>(400)</u>	<u>126,679</u>
NOTE PAYABLE - GUERIN, INC. (MCI)		<u>5,000</u>	<u>(5,000)</u>	
LONG-TERM LIABILITIES				
Security deposits	8,401	5,077		13,478
Construction loan, less current maturities	480,815			480,815
Long-term debt, less current maturities	497,922			497,922
Related party note	406,100			406,100
Total long-term liabilities	<u>1,393,238</u>	<u>5,077</u>		<u>1,398,315</u>
Total liabilities	<u>1,500,293</u>	<u>30,101</u>	<u>(5,400)</u>	<u>1,524,994</u>
NET ASSETS				
Unrestricted	4,698,210	2,342,802	39,852	7,080,864
Temporarily restricted	120,268			120,268
	<u>4,818,478</u>	<u>2,342,802</u>	<u>39,852</u>	<u>7,201,132</u>
Total liabilities and net assets	<u>\$ 6,318,771</u>	<u>\$ 2,372,903</u>	<u>\$ 34,452</u>	<u>\$ 8,726,126</u>

GUERIN, INC. AND AFFILIATE

CONSOLIDATING STATEMENTS OF ACTIVITIES
Year Ended August 31, 2009

	Guerin Inc.		The Meadows of Guerin, Inc.		Eliminations		Consolidated	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
Revenues, gains and other support:								
Grants and contributions revenue	\$ 49,169	\$ 260,433	\$ 1,712,120	\$ 1,712,120	\$ 1,712,120	\$ 1,712,120	\$ 260,433	\$ 2,021,722
Rental income	103,605		103,605	19,714	19,714			123,319
In-kind rental income	305,000		305,000					305,000
Interest income	20,564		20,564					20,564
Total revenues, gains and other support	478,338	260,433	738,771	1,731,834	1,731,834		260,433	2,470,605
Net assets released from restriction	140,165	(140,165)					(140,165)	
Total revenues, gains and other support	618,503	120,268	738,771	1,731,834	1,731,834		120,268	2,470,605
Expenses:								
Depreciation	189,407		189,407	24,845	24,845			214,252
Contribution expense	305,000		305,000					305,000
Contract services	29,982		29,982	20,810	20,810			50,792
Management fees	24,000		24,000	1,397	1,397			25,397
Repairs and maintenance	7,138		7,138	2,478	2,478			9,616
Insurance	5,777		5,777	6,135	6,135			11,912
Utilities	15,601		15,601	4,360	4,360			19,961
Professional fees	10,573		10,573	6,000	6,000			16,573
Travel	26		26				26	26
Small equipment	437		437				437	437
Supplies	400		400	10,623	10,623			11,023
Advertising	464		464	2,363	2,363			2,827
Postage	8		8	326	326			334
Interest	26,156		26,156					26,156
Miscellaneous	1,326		1,326	6,884	6,884			8,210
Total expenses	616,295		616,295	86,221	86,221			702,516
Net increase in total net assets	2,208	120,268	122,476	1,645,613	1,645,613		120,268	1,768,089
Net assets at beginning of year	4,696,002		4,696,002	697,189	697,189	\$ 39,852		5,433,043
Net assets at end of year	\$ 4,698,210	\$ 120,268	\$ 4,818,478	\$ 2,342,802	\$ 2,342,802	\$ 39,852	\$ 120,268	\$ 7,201,132