



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

---

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

November 9, 2011

Board of Directors  
1st Kids, Inc.  
11045 Broadway, Ste. F.  
Crown Point, IN 46307

We have reviewed the audit report prepared by Tunney & Associates, LTD, Independent Public Accountants, for the period April 1, 2007 to March 31, 2008. 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 1st Kids, Inc., as of March 31, 2008, 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

**1st KIDS, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**MARCH 31, 2008**

***TUNNEY & ASSOCIATES, LTD.  
CERTIFIED PUBLIC ACCOUNTANTS***

---

**TUNNEY & ASSOCIATES, LTD.**

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
1st Kids, Inc.  
Crown Point, Indiana

We have audited the accompanying statement of financial position of 1st Kids, Inc., (a non-profit organization) as of March 31, 2008, and the related statements of activities, 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.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 financial statements referred to above present fairly, in all material respects, the financial position of 1st Kids, Inc., as of March 31, 2008, and the changes in its net assets and 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 November 10, 2008, on our consideration of 1st Kids, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is 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.

*Tunney & Associates, LTD.*

TUNNEY & ASSOCIATES, LTD.  
Certified Public Accountants  
Orland Park, Illinois  
November 10, 2008

# 1ST KIDS, INC.

## CONTENTS

	Page
Independent Auditor's Report	1 - 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Summary of Significant Accounting Policies	7 - 9
Notes to Financial Statements	10 - 11
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12 - 13
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	14 - 16
Supplementary Information	
Schedule of Findings and Questioned Costs and Responses	17 - 19
Schedule of Expenditures of Federal Awards	20
Notes to Schedule of Expenditures of Federal Awards	21

1ST KIDS, INC..  
 STATEMENT OF FINANCIAL POSITION  
March 31, 2008

ASSETS

Cash and cash equivalents	\$ 48,122
Grants receivable	155,873
Prepaid expenses and other assets	40,120
Property and equipment, net	<u>66,590</u>
 TOTAL ASSETS	 <u>\$ 310,705</u>

LIABILITIES

Accounts payable	\$ 14,308
Accrued expenses and other liabilities	<u>133,457</u>
 TOTAL LIABILITIES	 147,765

NET ASSETS

Unrestricted	<u>162,940</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 310,705</u>

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

1ST KIDS, INC.  
 STATEMENT OF ACTIVITIES  
Year Ended March 31, 2008

REVENUES, GAINS, AND PUBLIC SUPPORT

System Point of Entry Grant	\$ 1,283,146
First Steps System Development Grant	89,680
Quality Assurance Review and Monitoring Contract	62,684
Other Revenue	<u>3,824</u>

TOTAL UNRESTRICTED SUPPORT 1,439,334

EXPENSES

Program services	1,431,953
Management and general	<u>1,723</u>

TOTAL EXPENSES 1,433,676

OTHER INCOME/(EXPENSES) 14,446

CHANGE IN NET ASSETS 20,104

NET ASSETS, BEGINNING OF YEAR 142,836

NET ASSETS, END OF YEAR \$ 162,940

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

1ST KIDS, INC.  
STATEMENT OF CASH FLOWS  
Year ended March 31, 2008

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2008</u>
Change in net assets	\$ 20,104
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	17,682
Effects of changes in operating assets and liabilities:	
Grants receivable	(10,097)
Prepaid expenses and other assets	47,000
Accounts payable	(47,205)
Accrued expenses and other liabilities	<u>13,917</u>
Net cash provided by operating activities	<u>\$ 41,401</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Purchase of equipment	<u>\$ (19,902)</u>
Net cash provided by investing activities	<u>\$ (19,902)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	21,499
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>26,623</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 48,122</u>
 SUPPLEMENTAL DATA - CASH PAID FOR INTEREST	<u>\$ 1,278</u>

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

1ST KIDS, INC.  
**STATEMENT OF FUNCTIONAL EXPENSES**  
 For the year ended March 31, 2008

EXPENSES	Program Services					Mgmt & General	Total Functional Expenses
	System Point of Entry	First Steps System Development	Quality Assurance Review/Monitoring	Total Program Services	Total		
Salaries	\$ 881,596	\$ 30,860	\$ 42,000	\$ 954,456	\$ -	\$ 954,456	
Payroll taxes & fringe benefits	151,815	11,884	-	163,699	-	163,699	
Professional fees & contract services	63,443	8,039	4,850	76,332	-	76,332	
Supplies	45,725	4,472	1,858	52,055	-	52,055	
Postage, shipping, and delivery	6,177	586	-	6,763	-	6,763	
Telephone	19,556	1,058	-	20,614	-	20,614	
Occupancy	28,018	28,530	-	56,548	-	56,548	
Insurance	16,157	1,796	-	17,953	-	17,953	
Travel	54,466	1,114	8,889	64,469	-	64,469	
Interest expense	-	-	-	-	1,293	1,293	
Depreciation and amortization	13,493	3,818	371	17,682	-	17,682	
Miscellaneous	-	-	1,382	1,382	430	1,812	
<b>TOTAL EXPENSES</b>	<b>\$ 1,280,446</b>	<b>\$ 92,157</b>	<b>\$ 59,350</b>	<b>\$ 1,431,953</b>	<b>\$ 1,723</b>	<b>\$ 1,433,676</b>	

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

1ST KIDS, INC.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

March 31, 2008

1st Kids, Inc., (the Organization) is the point of entry for the State of Indiana's First Steps program for the five county area of Northwest Indiana. During 2005, the Organization changed its name from Beyond Play Incorporated to 1st Kids, Inc. The program is designed to provide needed early intervention services to infants and toddlers, ages birth to three years and their families. The Organization informs individuals of the appropriate programs available. The referred services include occupational, physical and speech therapy, social services, health services, home visits, and transportation. The State of Indiana, through funding provided by the Federal Government, is the principal funding source of the Organization.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization 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.

Donated Services and Equipment

The contribution of services is recognized if the services received would typically need to be purchased if not provided by donation. The Organization had no contributed services for the year ended March 31, 2008.

Donations of equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increase in unrestricted net assets 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 contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets at that time.

1ST KIDS, INC.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

March 31, 2008

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Agency qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

Cash and Cash Equivalents

Cash and cash equivalents, as presented on the statement of financial position and statement of cash flows, includes cash on hand and deposits in interest bearing and non-interest bearing accounts in financial institutions with a maturity of three months or less.

Furniture and Equipment

Furniture, equipment and improvements are carried at cost. Depreciation expense is computed using straight-line methods over the estimated useful life of the assets, which range from 5 to 7 years.

Long-lived assets held and used by the Organization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-related support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 set assets released from restrictions. Presently, the Organization has no temporary or permanently restricted net assets.

---

1ST KIDS, INC.  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
March 31, 2008

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Grants Receivable

Management considers all grants receivable as of March 31, 2008 to be fully collectible. Accordingly, an allowance for doubtful accounts was not necessary at March 31, 2008.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

This information is an integral part of the accompanying financial statements.

1ST KIDS, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2008

NOTE 1 GRANTS RECEIVABLE

A major funding source for the Organization is the Indiana Family and Social Services Administration (FSSA). For the year ended March 31, 2008 over ninety-seven percent of its revenues were received from the FSSA. At March 31, 2008, the grant receivable consists of:

System Point of Entry Grant	\$	142,790
First Steps System Development Grant		8,717
Quality Assurance Review and Monitoring Contract		4,365
	\$	<u>155,873</u>

NOTE 2 OPERATING LEASE COMMITMENT

The Organization leases office space and two copiers from two unrelated parties. The lease terms are for ten years from February 15, 2004 to March 31, 2014 and sixty-two months from April 24, 2004 to May 24, 2009. The office space lease provides for a fixed rental which includes a pro-rata share of the operating expenses of the facility. Rent expense for both operating leases for the year ended March 31, 2008 totaled \$67,408.22.

The total future minimum rental payments (including prepaid rent of \$43,720) for noncancelable operating leases for the years ending March 31 are as follows:

2009	\$	84,200
2010		82,045
2011		87,733
2012		88,543
2013		89,393
2014		94,977
	\$	<u>526,891</u>

NOTE 3 LINE OF CREDIT

The Organization has available a line of credit in the amount of \$75,000, that expires in February, 2009. Interest accrues on the outstanding balance at prime (5.25% at March 31, 2008) plus 1%. The line of credit is secured by all of the Organization's assets. Interest expense for 2008 was \$1,278. The balance outstanding on the line of credit at March 31, 2008 was \$47,000.

1ST KIDS, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2008

---

NOTE 4 CONTINGENCIES

The Organization is subject to many levels of audit and investigation. The Organization cannot at this time predict whether it will be audited by an oversight agency. Further, any loss resulting from such audit, if any, cannot be estimated. Accordingly, no provision for any estimated loss is reflected in the accompanying financial statements.

NOTE 5 SIGNIFICANT FUNDING SOURCE

The Organization received approximately 99% of its revenue from Federally funded programs.

**TUNNEY & ASSOCIATES, LTD.**  
Certified Public Accountants

INDEPENDENT AUDITOR'S 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 Directors  
1st Kids, Inc.

We have audited the financial statements of 1st Kids., as of and for the year ended ended March 31, 2008, and have issued our report thereon dated November 10, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 1st Kids, 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 for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency

is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 1st Kids, Inc.'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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, Board of Directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Tunney & Associates, LTD.*

TUNNEY & ASSOCIATES, LTD.

Certified Public Accountants

Orland Park, Illinois

November 10, 2008

**TUNNEY & ASSOCIATES, LTD.**

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133

To the Board of Directors  
1st Kids, Inc.

**Compliance**

We have audited the compliance of 1st Kids, Inc., with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 2008. 1st Kids, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings, questioned costs, and responses. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of 1st Kids, Inc.'s management. Our responsibility is to express an opinion on 1st Kids, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 1st Kids, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on 1st Kids, Inc.'s compliance with those requirements.

In our opinion, 1st Kids, Inc., complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2008.

### **Internal Control Over Compliance**

The management of 1st Kids, Inc., is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered 1st Kids, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined below.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of 1st Kids, Inc., as of and for the year ended March 31, 2008, and have issued our report thereon dated November 10, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise 1st Kids, Inc.'s basic financial

statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is 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.

This report is intended solely for the information and use of the audit committee, Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Tunney & Associates, LTD.*

TUNNEY & ASSOCIATES, LTD.  
Certified Public Accountants  
Orland Park, Illinois  
November 10, 2008



1ST KIDS, INC.  
SCHEDULE OF FINDINGS, QUESTIONED COSTS & RESPONSES  
For the year ended March 31, 2008

**Section I - Financial Statement Findings**

None

**Section II - Federal Award Findings and Questioned Costs**

None

1ST KIDS, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the year ended March 31, 2008

**Section I - Financial Statement Findings**

None

**Section II - Federal Award Findings and Questioned Costs**

None

1ST KIDS, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended March 31, 2008

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
SPECIAL EDUCATION DEPARTMENT OF EDUCATION			
Pass-through programs from Indiana Family & Social Services Administration, Grants for Infants and Families with Disabilities	84.181	45-06-FS-1153	
System Point of Entry (SPOE) First Steps System Development			\$ 1,283,146 <u>89,680</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,372,826</u>

1ST KIDS, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
March 31, 2008

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the 1st Kids, Inc., and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "*Audits of States, Local Governments and Non-Profit Organizations*." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - SUBRECIPIENT PAYMENTS

There were no amounts provided to subrecipients for the year ended March 31, 2008.

NOTE C - NONCASH ASSISTANCE, INSURANCE, LOANS OR LOAN GUARANTEES

There were no noncash assistance, insurance or loan guarantees outstanding as of and for the year ended March 31, 2008. The balance outstanding on the line of credit at March 31, 2008 was \$47,000.