

Community Alliance
Audited Financial Statements
September 30, 2011 and 2010

Community Alliance

Table of Contents

	<u>Page</u>
Audited Financial Statements:	
Independent Auditors' Report	1
Statements of Financial Position	2 - 3
Statements of Activities	4 - 5
Statements of Functional Expenses for Program and Support Services	6 - 7
Statements of Cash Flows	8
Notes to the Financial Statements	9 - 18
Supplemental Information	
Schedules of Functional Expenses for Program and Support Services- Community Residence Corporation	19
Schedules of Functional Expenses for Program and Support Services- Community Living Network	20
Schedules of Functional Expenses for Program and Support Services- Community Housing Alternatives Corporation	21
Schedules of Functional Expenses for Program and Support Services- Glendale Nonprofit Housing Corporation	22

CURTIS, BAILEY, EXELBY & SPOSITO, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

2320 WASHTENAW AVENUE
ANN ARBOR, MICHIGAN 48104
PHONE (734) 663-7492
FAX (734) 663-0217

Independent Auditors' Report

To The Board of Directors
Community Alliance
Ypsilanti, Michigan

We have audited the accompanying combined statement of financial position of Community Alliance (a nonprofit organization made up of four nonprofit corporations including Community Residence Corporation, Community Living Network, Inc., Community Housing Alternatives Nonprofit Housing Corporation, and Glendale Nonprofit Housing Corporation) as of September 30, 2011, and the related combined 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 audited the financial statements of Community Housing Alternatives and Glendale Nonprofit Housing as of September 30, 2010, and our report dated September 15, 2011, expressed an unqualified opinion on those statements. The financial statements of Community Residence Corporation and Community Living Network as of September 30, 2010, were audited by other auditors whose report dated December 6, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Alliance, as of September 30, 2011, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of program income and functional expenses by agency on pages 19 through 22 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2012, on our consideration of Community Housing Alternatives Nonprofit Housing Corporation's (a part of Community Alliance) 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 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.


CURTIS, BAILEY, EXELBY & SPOSITO, P.C.
February 17, 2012

Community Alliance
Statement of Financial Position
September 30, 2011

	Community Residence Corporation	Community Living Network	Community Housing Alternatives Corporation	Glendale Nonprofit Housing Corporation	Consolidating Entries	2011 Consolidated Total
Assets						
Current assets						
Cash and cash equivalents						
General	\$ 42,628	\$ 130,824	\$ 13,508	\$ 1,244	\$ -	\$ 188,204
Savings	-	-	3,735	2,650	-	6,385
Restricted cash (Note 14)	-	-	27,298	-	-	27,298
Total cash and cash equivalents	<u>42,628</u>	<u>130,824</u>	<u>44,541</u>	<u>3,894</u>	<u>-</u>	<u>221,887</u>
Accounts receivable	213,767	262,705	45,994	7,712	-	530,178
Unbilled contracts	-	-	316,960	-	-	316,960
Notes receivable	-	-	14,486	-	-	14,486
Due from related organization	73,909	226,393	10,127	48,044	358,473	716,946
Prepaid expenses	-	4,170	5,879	349	-	10,398
Escrow	-	-	-	6,221	-	6,221
Security deposits	1,850	-	-	-	-	1,850
Total current assets	<u>332,154</u>	<u>624,092</u>	<u>437,987</u>	<u>66,220</u>	<u>358,473</u>	<u>1,818,926</u>
Property and equipment, net (Note 5)	56,220	374,651	523,953	360,143	-	1,314,967
Total assets	<u>\$ 388,374</u>	<u>\$ 998,743</u>	<u>\$ 961,940</u>	<u>\$ 426,363</u>	<u>\$ 358,473</u>	<u>\$3,133,893</u>
Liabilities and net assets						
Current liabilities						
Accounts payable	\$ 14,432	\$ 370	\$ 22,249	\$ 3,996	\$ -	\$ 41,047
Accrued payroll	109,467	125,277	-	-	-	234,744
Accrued interest	-	-	531	-	-	531
Security deposits	-	-	4,990	1,986	-	6,976
Due to related organization	226,393	8,460	113,493	10,127	358,473	716,946
Deferred revenue	122,038	194,001	316,960	-	-	632,999
Line of credit (Note 8)	-	-	25,491	-	-	25,491
Current portion of long-term debt	13,082	18,758	2,430	-	-	34,270
Total current liabilities	<u>485,412</u>	<u>346,866</u>	<u>486,144</u>	<u>16,109</u>	<u>358,473</u>	<u>1,693,004</u>
Long-term liabilities						
Long-term debt (Note 9)	34,825	217,505	100,525	-	-	352,855
Refundable advances (Note 6)	-	-	425,505	468,008	-	893,513
Total long-term liabilities	<u>34,825</u>	<u>217,505</u>	<u>526,030</u>	<u>468,008</u>	<u>-</u>	<u>1,246,368</u>
Total liabilities	<u>\$ 520,237</u>	<u>\$ 564,371</u>	<u>\$ 1,012,174</u>	<u>\$ 484,117</u>	<u>\$ 358,473</u>	<u>\$2,939,372</u>
Net assets						
Unrestricted net assets (deficiency)	(131,863)	434,372	(77,532)	(57,754)	-	167,223
Temporarily restricted net assets (Note 14)	-	-	27,298	-	-	27,298
Total net assets	<u>(131,863)</u>	<u>434,372</u>	<u>(50,234)</u>	<u>(57,754)</u>	<u>-</u>	<u>194,521</u>
Total liabilities and net assets	<u>\$ 388,374</u>	<u>\$ 998,743</u>	<u>\$ 961,940</u>	<u>\$ 426,363</u>	<u>\$ 358,473</u>	<u>\$3,133,893</u>

See accompanying notes.

Community Alliance
Statement of Financial Position
September 30, 2010

	Community Residence Corporation	Community Living Network	Community Housing Alternatives Corporation	Glendale Nonprofit Housing Corporation	Consolidating Entries	2010 Consolidated Total
Assets						
Current assets						
Cash and cash equivalents						
General	\$ (2,242)	\$ 42,013	\$ 14,564	\$ 2,277	\$ -	\$ 56,612
Savings	-	-	3,555	2,649	-	6,204
Restricted cash (Note 14)	-	-	11,715	-	-	11,715
Total cash and cash equivalents	(2,242)	42,013	29,834	4,926	-	74,531
Accounts receivable	162,058	456,652	87,433	7,647	-	713,790
Notes receivable	-	-	14,900	-	-	14,900
Due from related organization	83,006	20,000	10,127	48,044	(161,177)	-
Prepaid expenses	34,967	4,472	3,122	350	-	42,911
Escrow	-	-	-	4,625	-	4,625
Security deposits	1,850	-	-	-	-	1,850
Total current assets	279,639	523,137	145,416	65,592	(161,177)	852,607
Property and equipment, net (Note 5)	22,330	387,206	544,132	368,246	-	1,321,914
Total assets	<u>\$ 301,969</u>	<u>\$ 910,343</u>	<u>\$ 689,548</u>	<u>\$ 433,838</u>	<u>\$ (161,177)</u>	<u>\$ 2,174,521</u>
Liabilities and net assets						
Current liabilities						
Accounts payable	\$ 32,731	\$ 15,205	\$ 35,967	\$ 654	\$ -	\$ 84,557
Accrued payroll	124,244	95,313	-	-	-	219,557
Accrued interest	-	-	531	-	-	531
Security deposits	-	-	4,987	1,034	-	6,021
Due to related organization	20,000	-	131,050	10,127	(161,177)	-
Deferred revenue	140,801	172,277	-	-	-	313,078
Line of credit (Note 8)	-	-	27,349	-	-	27,349
Current portion of long-term debt	5,215	249,266	2,294	-	-	256,775
Total current liabilities	322,991	532,061	202,178	11,815	(161,177)	907,868
Long-term liabilities						
Long-term debt (Note 9)	17,115	-	102,135	-	-	119,250
Refundable advances (Note 6)	-	-	431,035	468,008	-	899,043
Total long-term liabilities	17,115	-	533,170	468,008	-	1,018,293
Total liabilities	<u>\$ 340,106</u>	<u>\$ 532,061</u>	<u>\$ 735,348</u>	<u>\$ 479,823</u>	<u>\$ (161,177)</u>	<u>\$ 1,926,161</u>
Net assets						
Unrestricted net assets (deficiency)	(38,137)	378,282	(57,515)	(45,985)	-	236,645
Temporarily restricted net assets (Note 14)	-	-	11,715	-	-	11,715
Total net assets	(38,137)	378,282	(45,800)	(45,985)	-	248,360
Total liabilities and net assets	<u>\$ 301,969</u>	<u>\$ 910,343</u>	<u>\$ 689,548</u>	<u>\$ 433,838</u>	<u>\$ (161,177)</u>	<u>\$ 2,174,521</u>

See accompanying notes.

Community Alliance
Statement of Activities
For the Year Ended September 30, 2011

	Community Residence Corporation	Community Living Network	Community Housing Alternatives Corporation	Glendale Nonprofit Housing Corporation	Consolidating Entries	2011 Consolidated Total
Unrestricted net assets						
Support						
Government grants	\$ -	\$ -	\$ 786,378	\$ -	\$ -	\$ 786,378
Direct public support	15,922	-	26,607	-	-	42,529
Contributions in-kind	22,000	22,000	22,000	-	-	66,000
Total support	37,922	22,000	834,985	-	-	894,907
Program revenue						
Intermediary services:						
Washtenaw	-	1,749,213	-	-	-	1,749,213
Jackson	-	43,880	-	-	-	43,880
Macomb	-	96,592	-	-	-	96,592
Livingston	-	297,595	-	-	-	297,595
St. Clair	-	68,864	-	-	-	68,864
Total intermediary services	-	2,256,144	-	-	-	2,256,144
Supported living	1,593,347	-	-	-	-	1,593,347
Homes	260,332	-	-	-	-	260,332
Private services	-	-	-	-	-	-
Runners	100	-	-	-	-	100
Home ownership fees	-	-	-	-	-	-
Rent	-	-	54,998	21,298	-	76,296
Maunagement fees	90,880	90,880	-	-	(90,880)	90,880
Other program revenue	76,165	-	-	-	-	76,165
Total program revenue	2,020,824	2,347,024	54,998	21,298	(90,880)	4,353,264
Total support and program revenue	2,058,746	2,369,024	889,983	21,298	(90,880)	5,248,171
Other Revenue						
Miscellaneous	-	1,120	1,933	-	-	3,053
Interest	60	263	-	-	-	323
Total other revenue	60	1,383	1,933	-	-	3,376
Reclassifications (Note 14)	-	-	(15,583)	-	-	(15,583)
Total revenue and reclassifications	2,058,806	2,370,407	876,333	21,298	(90,880)	5,235,964
Expenses						
Program services						
Rental	-	-	80,777	33,067	-	113,844
Home ownership	-	-	722,055	-	-	722,055
Supported living	1,622,675	-	-	-	-	1,622,675
Intermediary services	-	2,231,816	-	-	(90,880)	2,140,936
Total program services	1,622,675	2,231,816	802,832	33,067	(90,880)	4,599,510
Support services						
Management and general	452,192	60,501	69,288	-	-	581,981
Fundraising	77,665	22,000	24,230	-	-	123,895
Total expenses	2,152,532	2,314,317	896,350	33,067	(90,880)	5,305,386
Increase (decrease) in unrestricted net assets	(93,726)	56,090	(20,017)	(11,769)	-	(69,422)
Increase (decrease) in temporarily restricted net assets (Note 14)	-	-	15,583	-	-	15,583
Increase (decrease) in net assets	(93,726)	56,090	(4,434)	(11,769)	-	(53,839)
Net assets at beginning of year	(38,137)	378,282	(45,800)	(45,985)	-	248,360
Net assets at end of year	<u>\$ (131,863)</u>	<u>\$ 434,372</u>	<u>\$ (50,234)</u>	<u>\$ (57,754)</u>	<u>\$ -</u>	<u>\$ 194,521</u>

See accompanying notes.

Community Alliance
Statement of Activities
For the Year Ended September 30, 2010

	Community Residence Corporation	Community Living Network	Community Housing Alternatives Corporation	Glendale Nonprofit Housing Corporation	Consolidating Entries	2010 Consolidated Total
Unrestricted net assets						
Support						
Government grants	\$ -	\$ -	\$ 718,537	\$ -	\$ -	\$ 718,537
Direct public support	11,310	-	1,350	-	-	12,660
Total support	<u>11,310</u>	<u>-</u>	<u>719,887</u>	<u>-</u>	<u>-</u>	<u>731,197</u>
Program revenue						
Intermediary services:						
Washtenaw	-	1,429,401	-	-	-	1,429,401
Jackson	-	2,765,063	-	-	-	2,765,063
Macomb	-	96,724	-	-	-	96,724
Livingston	-	267,222	-	-	-	267,222
St. Clair	-	66,795	-	-	-	66,795
Total intermediary services	<u>-</u>	<u>4,625,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,625,205</u>
Supported living	1,566,469	-	-	-	-	1,566,469
Homes	217,762	-	-	-	-	217,762
Private services	395	-	-	-	-	395
Runners	6,851	-	-	-	-	6,851
Home ownership fees	-	-	4,500	-	-	4,500
Rent	-	-	60,780	19,179	-	79,959
Management fees	182,305	182,305	-	-	(182,305)	182,305
Other program revenue	9,271	-	-	-	-	9,271
Total program revenue	<u>1,983,053</u>	<u>4,807,510</u>	<u>65,280</u>	<u>19,179</u>	<u>(182,305)</u>	<u>6,692,717</u>
Total support and program revenue	<u>1,994,363</u>	<u>4,807,510</u>	<u>785,167</u>	<u>19,179</u>	<u>(182,305)</u>	<u>7,423,914</u>
Other revenue						
Miscellaneous	481	485	23,945	3,006	-	27,917
Interest	219	413	1	-	-	633
Total other revenue	<u>700</u>	<u>898</u>	<u>23,946</u>	<u>3,006</u>	<u>-</u>	<u>28,550</u>
Reclassifications (Note 14)	<u>-</u>	<u>-</u>	<u>84,629</u>	<u>-</u>	<u>-</u>	<u>84,629</u>
Total revenue and reclassifications	<u>1,995,063</u>	<u>4,808,408</u>	<u>893,742</u>	<u>22,185</u>	<u>(182,305)</u>	<u>7,537,093</u>
Expenses						
Program services						
Rental	-	-	89,267	26,137	-	115,404
Home ownership	-	-	581,983	-	-	581,983
Supported living	1,645,548	-	-	-	-	1,645,548
Intermediary services	-	4,594,837	-	-	(182,305)	4,412,532
Total program services	<u>1,645,548</u>	<u>4,594,837</u>	<u>671,250</u>	<u>26,137</u>	<u>(182,305)</u>	<u>6,755,467</u>
Support services						
Management and general	548,675	57,540	68,918	-	-	675,133
Fundraising	63,291	-	2,857	-	-	66,148
Total expenses	<u>2,257,514</u>	<u>4,652,377</u>	<u>743,025</u>	<u>26,137</u>	<u>(182,305)</u>	<u>7,496,748</u>
Increase (decrease) in unrestricted net assets	<u>(262,451)</u>	<u>156,031</u>	<u>150,717</u>	<u>(3,952)</u>	<u>-</u>	<u>40,345</u>
Increase (decrease) in temporarily restricted net assets (Note 14)	<u>-</u>	<u>-</u>	<u>(84,629)</u>	<u>-</u>	<u>-</u>	<u>(84,629)</u>
Increase (decrease) in net assets	<u>(262,451)</u>	<u>156,031</u>	<u>66,088</u>	<u>(3,952)</u>	<u>-</u>	<u>(44,284)</u>
Net assets at beginning of year	<u>224,314</u>	<u>222,251</u>	<u>(111,888)</u>	<u>(42,033)</u>	<u>-</u>	<u>292,644</u>
Net assets at end of year	<u>\$ (38,137)</u>	<u>\$ 378,282</u>	<u>\$ (45,800)</u>	<u>\$ (45,985)</u>	<u>\$ -</u>	<u>\$ 248,360</u>

See accompanying notes.

Community Alliance
Statement of Functional Expenses for Program and Support Services
For the Year Ended September 30, 2011

	Program Services				Support Services		2011 Total	
	Rental	Home Ownership	Supported Living	Intermediary Services	Program Total	Mgmt & General		Fund Raising
Acq/rehab cost overrun	\$ -	\$ 656,647	\$ -	\$ -	\$ 656,647	\$ -	\$ -	\$ 656,647
Administration fees	5,694	10,250	-	90,780	106,724	6,834	-	113,558
Advertising	-	-	-	-	-	-	73,170	73,170
Bank fees	1,118	-	-	-	1,118	4,669	-	5,787
Client activities	-	-	-	11,316	11,316	-	-	11,316
D&O insurance	-	-	-	-	-	11,464	-	11,464
Depreciation	32,906	-	6,752	-	39,658	15,938	-	55,596
Downpayment assistance	-	15,500	-	-	15,500	-	-	15,500
Home services/personal care	-	-	-	53,690	53,690	-	-	53,690
Insurance	-	-	48,240	-	48,240	111,605	-	159,845
Interest	5,929	-	2,597	15	8,541	21,539	-	30,080
Labor costs	22,032	39,658	1,446,433	1,999,410	3,507,533	260,727	45,042	3,813,302
Licenses and fees	-	-	20	-	20	181	-	201
Other expenses	1,563	-	1,092	-	2,655	17,202	5,683	25,540
Penalties	-	-	-	-	-	3,976	-	3,976
Postage and shipping	-	-	-	-	-	3,608	-	3,608
Professional fees - accounting	-	-	-	-	-	46,236	-	46,236
Professional fees - legal	98	-	-	-	98	6,732	-	6,830
Professional fees - other	-	-	1,296	-	1,296	3,871	-	5,167
Property insurance	2,311	-	-	-	2,311	-	-	2,311
Property taxes	4,797	-	-	-	4,797	6,982	-	11,779
Rent	-	-	42,941	-	42,941	(3,857)	-	39,084
Repairs and maintenance	26,748	-	3,513	-	30,261	24,101	-	54,362
Respite care	-	-	-	8,009	8,009	-	-	8,009
Supplies	621	-	9,435	354	10,410	12,062	-	22,472
Transportation	-	-	40,533	6,583	47,116	2,162	-	49,278
Utilities	9,769	-	15,543	-	25,312	22,300	-	47,612
Workers comp insurance	-	-	-	60,311	60,311	(196)	-	60,115
Workshops and meetings	258	-	4,280	1,348	5,886	3,845	-	9,731
Total expenses	\$ 113,844	\$ 722,055	\$ 1,622,675	\$ 2,231,816	\$ 4,690,390	\$ 581,981	\$ 123,895	\$ 5,396,266
Percent of total expenses	2.11%	13.38%	30.07%	41.36%	86.92%	10.78%	2.30%	100.00%

See accompanying notes.

Community Alliance
Statement of Functional Expenses for Program and Support Services
For the Year Ended September 30, 2010

	Program Services				Support Services			
	Rental	Home Ownership	Supported Living	Intermediary Services	Program Total	Mgmt & General	Fund Raising	2010 Total
Acq/rehab cost overrun	\$ -	\$ 473,297	\$ -	\$ -	\$ 473,297	\$ -	\$ -	\$ 473,297
Administration fees	5,694	10,250	-	182,305	198,249	6,834	-	205,083
Advertising	-	-	-	-	-	-	17,488	17,488
Bank fees	829	-	-	-	829	382	-	1,211
Client activities	-	-	-	24,262	24,262	-	-	24,262
D&O insurance	-	-	-	-	-	8,298	-	8,298
Depreciation	32,524	-	4,665	-	37,189	29,219	-	66,408
Downpayment assistance	-	52,309	-	-	52,309	-	-	52,309
Home services/personal care	-	-	-	378,627	378,627	-	-	378,627
Insurance	-	-	80,852	-	80,852	114,788	-	195,640
Interest	6,073	-	2,786	-	8,859	24,319	-	33,178
Labor costs	25,626	46,127	1,435,583	3,880,897	5,388,233	342,621	47,222	5,778,076
Licenses and fees	20	-	251	-	271	460	-	731
Other expenses	1,064	-	6,740	-	7,804	15,247	1,438	24,489
Penalties	-	-	-	-	-	-	-	-
Postage and shipping	-	-	-	-	-	5,149	-	5,149
Professional fees - accounting	-	-	-	-	-	44,391	-	44,391
Professional fees - legal	183	-	-	-	183	473	-	656
Professional fees - other	-	-	1,934	4,064	5,998	1,496	-	7,494
Property insurance	9,213	-	-	-	9,213	-	-	9,213
Property taxes	2,710	-	-	-	2,710	-	-	2,710
Rent	-	-	49,538	-	49,538	6,884	-	56,422
Repairs and maintenance	21,619	-	5,348	100	27,067	24,171	-	51,238
Respite care	-	-	-	2,083	2,083	-	-	2,083
Supplies	-	-	6,512	324	6,836	26,630	-	33,466
Transportation	-	-	32,665	50,603	83,268	2,371	-	85,639
Utilities	9,761	-	14,474	-	24,235	16,325	-	40,560
Workers comp insurance	-	-	-	69,382	69,382	-	-	69,382
Workshops and meetings	88	-	4,200	2,190	6,478	5,383	-	11,861
Total expenses	\$ 115,404	\$ 581,983	\$ 1,645,548	\$ 4,594,837	\$ 6,937,772	\$ 675,133	\$ 66,148	\$ 7,679,053
Percent of total expenses	1.50%	7.58%	21.43%	59.84%	90.35%	8.79%	0.86%	100.00%

See accompanying notes.

Community Alliance
Statement of Cash Flows
For the Years Ended September 30, 2011 and 2010

	2011	2010
Cash flows from operating activities		
Increase (decrease) in net assets	\$ (53,839)	\$ (44,284)
Adjustments to reconcile increase (decrease) in net assets to cash provided by operating activities		
Depreciation	55,596	66,408
Changes in operating assets and liabilities		
(Increase) decrease in		
Accounts receivable	183,612	130,081
Unbilled contracts	(316,960)	(22,107)
Notes receivable	414	(14,900)
Homes for resale	-	285,558
Prepaid expenses	32,513	8,392
Escrow	(1,596)	2,044
Increase (decrease) in		
Accounts payable	(43,510)	(41,271)
Accounts payable related party	-	20,439
Accrued payroll	15,187	-
Payroll withholdings	-	(8,890)
Security deposits	955	157
Accrued wages	-	(87,481)
Accrued paid absences	-	10,866
Accrued other expenses	-	(1,667)
Deferred revenue	319,921	(198,504)
Net cash provided (used) by operations	192,293	104,841
Cash flows from investing activities		
Purchases of property and equipment	(48,648)	(5,790)
Net cash provided (used) by investing activities	(48,648)	(5,790)
Cash flows from financing activities		
Proceeds from line of credit	2,994	355
Proceeds from long-term debt	272,753	(35,315)
Repayments of line of credit	(4,852)	(3,296)
Repayments of long-term debt	(261,654)	(202,745)
Increase (decrease) in refundable advances	(5,530)	(5,530)
Net cash provided (used) by financing activities	3,711	(246,531)
Net increase (decrease) in cash and cash equivalents	147,356	(147,480)
Beginning cash and cash equivalents	74,531	222,011
Ending cash and cash equivalents	\$ 221,887	\$ 74,531
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 30,080	\$ 33,178
Noncash investing and financing		
Vehicle purchased with loan	\$ 31,954	\$ -

See accompanying notes.

Community Alliance
Notes to the Financial Statements
For the Years Ended September 30, 2011 and 2010

Note 1 - Description of Organization

Nature of Operations

Community Alliance is a nonprofit agency servicing Southeastern Michigan, with a focus in Washtenaw County. Community Alliance helps vulnerable populations participate in the larger community through support services, fiscal intermediary services, housing, and home ownership options, all allowing for independence and self sufficiency. Community Alliance is made up of four nonprofit corporations:

Community Residence Corporation (CRC) is a Michigan nonprofit corporation organized to provide residential and basic care services to developmentally disabled individuals. CRC derives its revenue from contributions and a contract with Washtenaw County for services to eligible clients.

Community Living Network, Inc. (CLN) is a Michigan nonprofit corporation organized to provide fiscal intermediary services to its consumers. CLN derives its revenue from contracts with local community mental health agencies for fiscal intermediary services to eligible clients.

Community Housing Alternatives Nonprofit Housing Corporation (CHA) is a Michigan nonprofit corporation that provides affordable rental housing and home ownership opportunities to disabled individuals and low-income families located in Washtenaw County in southeast Michigan. CHA derives its revenues and support from rental income, service fees, grants, and contributions.

Glendale Nonprofit Housing Corporation (GNH) is a Michigan nonprofit corporation that holds and manages rental properties in Ann Arbor, Michigan. GNH derives its revenue from low-income housing rentals.

Related Organization/Consolidated Financial Statements

The four nonprofit organizations (CRC, CLN, CHA, and GNH) share common office space, supplies and staff. CRC and CLN share a common Board of Directors. CHA created GNH to hold and manage the Glendale rental properties and the two organizations share a common Board of Directors, which is approved by the common Board of CRC and CLN. In accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Section 958, the activities, assets, liabilities, and net assets of the four organizations are consolidated.

Description of Programs

The following is a description of Community Alliance's programs:

CHA Rental Program - CHA identifies, secures, develops and manages single family and duplex rental units, and provides this affordable and accessible housing to disabled individuals and families with a disabled member. Funding is provided by Michigan Interfaith Trust Fund and the City of Ann Arbor/Washtenaw County Office of Community Development.

GNH Rental Program - provides four affordable and accessible duplex rental units at 100/102 and 112/114 Glendale Drive in Ann Arbor, Michigan to disabled individuals and families with a disabled member. The Michigan State Housing Development Authority (MSHDA) was the funding source for the acquisition of the Glendale properties.

Community Alliance
Notes to the Financial Statements
For the Years Ended September 30, 2011 and 2010

Note 1 - Description of Organization (continued)

Description of Programs (continued)

Home Ownership Program - provides intensive homeowner education and counseling to disabled individuals, low to moderate income individuals, and families who desire to purchase their own home. Sub-programs include CHA's Down Payment Assistance Program, MSHDA Down Payment Assistance Program, Home Choice Program, Links to Homeownership Program, and the Section 8 Homeownership Program.

Supported Living Program - provides residential and basic care services to developmentally disabled individuals. Sub-programs include supported living sites and one family-style group home.

Intermediary Services - provides fiscal intermediary services to adults under the Choice Voucher and to children through the Children's Waiver Program. The services are provided under terms of contracts with Washtenaw County Community Health Board, Livingston County Community Mental Health, Macomb County Community Mental Health, St. Clair County Community Mental Health Authority, and Jackson County Lifeways through funding received by these organizations from the Michigan Department of Health.

Management and General - includes the functions necessary to maintain the organization's programs, ensure an adequate working environment, secure proper administrative functioning of the board of directors, and manage the financial and budgetary responsibilities of the organization.

Fundraising - provides the structure necessary to encourage and secure financial support from individuals and businesses.

Note 2 - Significant Accounting Policies

The following is a summary of significant accounting policies followed in the preparation of these financial statements. The policies conform to generally accepted accounting principles and have been consistently applied.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other accruals.

Basis of Presentation

Financial statement presentation follows the recommendations of the FASB ASC 958. Under those provisions, net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions 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 can be fulfilled by actions of Community Alliance pursuant to those stipulations or that expire by the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by Community Alliance. Generally, the donors of such assets permit Community Alliance to use all or part of the income earned on the assets.

Community Alliance
Notes to the Financial Statements
For the Years Ended September 30, 2011 and 2010

Note 2 - Significant Accounting Policies (continued)

Cash and Cash Equivalents

Community Alliance considers all checking accounts, savings accounts, and short-term debt securities with maturities of three months or less to be cash equivalents.

Restricted Cash

Cash received from funding sources for a specified purpose are held in a separate bank account until utilized for that specified purpose.

Accounts Receivable

Receivables arising from service fees are accounted for on the accrual basis and become past due after 30 days. Receivables are considered to be fully collectable, therefore no allowance for doubtful accounts is included in the financial statements. Receivables are written off if all efforts at collection have failed and management determines that collection is unlikely, however, accounts receivable arise predominantly from grants and contracts, and are usually collected in full.

Property and Equipment

Community Alliance capitalizes all expenditures for property and equipment in excess of \$1,000. Property and equipment are recorded at cost for purchased items and at fair market value at time of receipt for donated items. Depreciation is computed utilizing the straight-line method over the estimated useful lives of the assets. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The cost and accumulated depreciation of property sold or retired is removed from the related asset and accumulated depreciation accounts, and any resulting gain or loss is recorded in the year of disposal.

Donations of Property and Equipment

Donations of property and equipment (long-lived assets) that do not have donor imposed stipulations about how long the property must be used are recorded as unrestricted contributions in the year received.

Security Deposits

Security deposits in the amount of one month's rent are collected from each tenant at the beginning of the lease term and are held in a separate bank account. At the end of the lease, the security deposit is refunded to the tenant, net of any funds used to return the home back to its original condition.

Refundable Advances

Transfers of assets to Community Alliance that are accompanied by the resource provider's conditional promise to give, or are otherwise revocable or repayable, are recorded as refundable advances until the transferred assets are beyond the control of the resource provider.

Grant Revenue

Restricted grants are recorded as support when funds have been expended for the restricted purpose.

Contributed Services

Community Alliance records the fair value of contributed services in the financial statements if the services either (a) create or enhance a nonfinancial asset or (b) require specialized skills; are provided by persons possessing those skills; and would need to be purchased if they were not donated as required by FASB ASC 958.

Community Alliance
Notes to the Financial Statements
For the Years Ended September 30, 2011 and 2010

Note 2 - Significant Accounting Policies (continued)

Promises to Give

Unconditional promises to give are recognized in the period received as revenues or gains and as assets, decreases of liabilities, or expenses, depending on the form of the benefit received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Unconditional promises to give are recognized at the estimated net present value, net of any allowance. The allowance is based on prior years' experience and management's analysis of specific promises made.

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. 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.

Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Certain management and general costs have been allocated among the programs and supporting services.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Advertising Costs

Advertising costs intended to solicit revenue in an exchange transaction are recorded as fundraising expenses in the period incurred.

Fair Value of Instruments

The carrying amount of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate fair value due to the short-term nature of such instruments.

Subsequent Events

Subsequent events have been evaluated through the report date of February 17, 2012, the date that the financial statements were available to be issued.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation of the current financial statements.

Community Alliance
Notes to the Financial Statements
For the Years Ended September 30, 2011 and 2010

Note 3 - Credit Risk

Financial instruments that potentially expose Community Alliance to concentrations of credit risk consist primarily of cash and cash equivalents. Community Alliance's cash is held in several bank accounts which are guaranteed by the Federal Deposit Insurance Corporation (FDIC). Due to fluctuating cash flows, the total cash balance of these accounts may periodically exceed FDIC insurance limits. At September 30, 2011 and 2010, cash balances did not exceed FDIC insurance limits.

Note 4 - Concentrations

The following schedule summarizes support from grantors and contractors that were equal to or greater than 20% of total revenues recognized for the years ended September 30, 2011 and 2010:

	2011				
	<u>CRC</u>	<u>CLN</u>	<u>CHA</u>	<u>GNH</u>	<u>Total</u>
Washtenaw County	\$1,685,487	\$1,749,213	\$ 786,378	\$ -	\$ 4,221,078
Other	373,259	619,811	103,605	21,298	1,117,973
Total	<u>\$2,058,746</u>	<u>\$2,369,024</u>	<u>\$ 889,983</u>	<u>\$ 21,298</u>	<u>\$ 5,339,051</u>

	2010				
	<u>CRC</u>	<u>CLN</u>	<u>CHA</u>	<u>GNH</u>	<u>Total</u>
Washtenaw County	\$1,625,469	\$1,429,401	\$ 615,398	\$ -	\$ 3,670,268
Jackson Cty (Lifeways)	-	2,765,063	-	-	2,765,063
Other	368,894	613,046	169,769	19,179	1,170,888
Total	<u>\$1,994,363</u>	<u>\$4,807,510</u>	<u>\$ 785,167</u>	<u>\$ 19,179</u>	<u>\$ 7,606,219</u>

Receivable balances due from funding sources equal to or greater than 20% of total receivables for the years ended September 30, 2011 and 2010 are as follows:

	2011				
	<u>CRC</u>	<u>CLN</u>	<u>CHA</u>	<u>GNH</u>	<u>Total</u>
Washtenaw County	\$ 152,551	\$ 181,044	\$ 31,885	\$ -	\$ 365,480
State of Michigan	53,839	-	-	-	53,839
Other	7,377	81,661	14,109	7,712	110,859
Total	<u>\$ 213,767</u>	<u>\$ 262,705</u>	<u>\$ 45,994</u>	<u>\$ 7,712</u>	<u>\$ 530,178</u>

	2010				
	<u>CRC</u>	<u>CLN</u>	<u>CHA</u>	<u>GNH</u>	<u>Total</u>
Washtenaw County	\$ 124,506	\$ 219,290	\$ 85,752	\$ -	\$ 429,548
Jackson Cty (Lifeways)	-	121,324	-	-	121,324
Other	37,552	116,038	1,681	7,647	162,918
Total	<u>\$ 162,058</u>	<u>\$ 456,652</u>	<u>\$ 87,433</u>	<u>\$ 7,647</u>	<u>\$ 713,790</u>

Community Alliance
Notes to the Financial Statements
For the Years Ended September 30, 2011 and 2010

Note 5 - Property and Equipment

Buildings are depreciated over their estimated useful lives of 40 years, improvements over 7-40 years, and equipment over 5-7 years. The components of property and equipment at September 30, 2011, and 2010, are as follows:

	2011				
	<u>CRC</u>	<u>CLN</u>	<u>CHA</u>	<u>GNH</u>	<u>Total</u>
Buildings	\$ -	\$ 419,678	\$ 678,692	\$ 408,855	\$ 1,507,225
Land	-	18,825	47,300	46,754	112,879
Equipment	27,897	-	23,873	1,150	52,920
Vehicles	132,807	-	-	-	132,807
Total property and equip	<u>\$ 160,704</u>	<u>\$ 438,503</u>	<u>\$ 749,865</u>	<u>\$ 456,759</u>	<u>\$ 1,805,831</u>
Less accum deprec	104,484	63,852	225,912	96,616	490,864
Net property and equip	<u>\$ 56,220</u>	<u>\$ 374,651</u>	<u>\$ 523,953</u>	<u>\$ 360,143</u>	<u>\$ 1,314,967</u>

	2010				
	<u>CRC</u>	<u>CLN</u>	<u>CHA</u>	<u>GNH</u>	<u>Total</u>
Buildings	\$ -	\$ 419,678	\$ 675,242	\$ 405,792	\$ 1,500,712
Land	-	18,825	47,300	46,754	112,879
Equipment	17,715	-	23,873	1,150	42,738
Vehicles	100,853	-	-	-	100,853
Total property and equip	<u>\$ 118,568</u>	<u>\$ 438,503</u>	<u>\$ 746,415</u>	<u>\$ 453,696</u>	<u>\$ 1,757,182</u>
Less accum deprec	96,238	51,297	202,283	85,450	435,268
Net property and equip	<u>\$ 22,330</u>	<u>\$ 387,206</u>	<u>\$ 544,132</u>	<u>\$ 368,246</u>	<u>\$ 1,321,914</u>

Note 6 - Refundable Advances

Refundable advances require immediate repayment to the resource provider if the property is sold to an unqualified individual or its use is changed. The Washtenaw County advances of \$35,000, \$6,000 and \$24,450 for 3920 Cochran are forgiven over a 10, 15 and 15 year period of affordability, respectively. Accordingly, a portion of each advance is amortized to revenue each year. The City of Ann Arbor advances for 2 Kilbrennan and 9 Rockland have a 99 year City affordability period and a 20 year HUD affordability period. The City of Ann Arbor advance for 2176 Hemlock has a 99 year affordability period, or becomes due immediately upon the transfer or sale of the property. The MSHDA advance for both Glendale properties are forgiven after 40 years.

The following schedule details current refundable advances for the year ended September 30, 2011:

<u>Grantor / Property</u>	<u>Date</u>	<u>CHA</u>	<u>GNH</u>	<u>2011</u>
City of Ann Arbor				
1911/1913 Dexter	4/20/2001	\$ 129,000	\$ -	\$ 129,000
2 Kilbrennan	7/1/2005	103,000	-	103,000
9 Rockland	7/1/2005	73,100	-	73,100
2176 Hemlock	8/23/2006	49,000	-	49,000
100/102 Glendale	4/10/2002	-	150,000	150,000
112/114 Glendale	7/5/2002	-	150,000	150,000
Subtotal		<u>354,100</u>	<u>300,000</u>	<u>654,100</u>

Community Alliance
Notes to the Financial Statements
For the Years Ended September 30, 2011 and 2010

Note 6 - Refundable Advances (continued)

	<u>Date</u>	<u>CHA</u>	<u>GNH</u>	<u>2011</u>
Subtotal from previous page		\$ 354,100	\$ 300,000	\$ 654,100
Washtenaw County				
1911/1913 Dexter	3/22/2001	17,000	-	17,000
3920 Cochran (\$35,000)	8/29/2003	7,875	-	7,875
3920 Cochran (\$6,000)	8/17/2005	3,600	-	3,600
3920 Cochran (\$24,450)	6/04/2007	17,930	-	17,930
2 Kilbrennan	3/22/2001	15,000	-	15,000
9 Rockland	3/22/2001	10,000	-	10,000
100/102 Glendale	4/5/2002	-	20,000	20,000
112/114 Glendale	9/17/2002	-	30,000	30,000
Subtotal		71,405	50,000	121,405
Michigan State Housing Development Authority				
100/102, 112/114 Glendale	4/1/2003	-	118,008	118,008
Total refundable advances		\$ 425,505	\$ 468,008	\$ 893,513

The following schedule details current refundable advances for the year ended September 30, 2010:

<u>Grantor / Property</u>	<u>Date</u>	<u>CHA</u>	<u>GNH</u>	<u>2010</u>
City of Ann Arbor				
1911/1913 Dexter	4/20/2001	\$ 129,000	\$ -	\$ 129,000
2 Kilbrennan	7/1/2005	103,000	-	103,000
9 Rockland	7/1/2005	73,100	-	73,100
2176 Hemlock	8/23/2006	49,000	-	49,000
100/102 Glendale	4/10/2002	-	150,000	150,000
112/114 Glendale	7/5/2002	-	150,000	150,000
Subtotal		354,100	300,000	654,100
Washtenaw County				
1911/1913 Dexter	3/22/2001	17,000	-	17,000
3920 Cochran (\$35,000)	8/29/2003	11,375	-	11,375
3920 Cochran (\$6,000)	8/17/2005	4,000	-	4,000
3920 Cochran (\$24,450)	6/04/2007	19,560	-	19,560
2 Kilbrennan	3/22/2001	15,000	-	15,000
9 Rockland	3/22/2001	10,000	-	10,000
100/102 Glendale	4/5/2002	-	20,000	20,000
112/114 Glendale	9/17/2002	-	30,000	30,000
Subtotal		76,935	50,000	126,935
Michigan State Housing Development Authority				
100/102, 112/114 Glendale	4/1/2003	-	118,008	118,008
Total refundable advances		\$ 431,035	\$ 468,008	\$ 899,043

Community Alliance
Notes to the Financial Statements
For the Years Ended September 30, 2011 and 2010

Note 7 - Related Parties

An employee of CRC is the spouse of one its Board Members. Compensation to the employee during the year ended September 30, 2011, was \$45,042 in wages and \$9,451 in fringe benefits.

A board member's family member was a consumer of the Organization; benefits on behalf of this individual are reimbursed by funding sources.

Note 8 - Bank Line of Credit

CHA has a \$41,125 Business Visa account with Fifth Third Bank. The interest rate was 5.24% at September 30, 2011 and 2010. The balance on the Business Visa was \$25,491 and \$27,349 at September 30, 2011 and 2010, respectively.

CRC has a \$125,000 line of credit with Bank of Ann Arbor. The interest rate was 4.75% at September 30, 2011. The balance on the line was \$0 at September 30, 2011. The line of credit at September 30, 2010 was \$175,000, of which \$0 was outstanding at September 30, 2010.

Note 9 - Long-term Debt

Long-term debt consisted of the following at September 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Mortgage note payable to Northern Ohio Investment Co., monthly payments of \$687 including interest at 5.75% matures June 2033, secured by 3920 Cochran rental property.	\$ 102,955	\$ 104,429
Note payable to Ford Motor Credit, monthly payments of \$621 including interest at 11.19%, matures May 2014, secured by a vehicle.	17,115	22,330
Note payable to Ford Motor Credit, monthly payments of \$766 including interest at 7.04%, matures August 2015, secured by a vehicle.	30,792	-
Note payable to Bank of Ann Arbor, monthly payments of \$2900 including interest at 7%, matures May 2017, secured by building and land	236,263	249,266
Total long-term debt	387,125	376,025
Less current portion	34,270	256,775
Long-term portion	\$ 352,855	\$ 119,250

Maturities of long-term debt are as follows:

Year ended September 30,	
2012	\$ 34,269
2013	36,983
2014	37,410
2015	33,385
2016	27,644
Thereafter	217,434
Total long-term debt	\$ 387,125

Community Alliance
Notes to the Financial Statements
For the Years Ended September 30, 2011 and 2010

Note 10 - Operating Leases

CRC leases several vehicles for use at the various group homes for the programs they operate. Lease expense included in the operations for the years ended September 30, 2011 and 2010 was \$11,270 and \$13,114, respectively.

CRC also leases its telephone system and copier. Lease expense included in the operations for the years ended September 30, 2011 and 2010 was \$5,172 and \$4,744, respectively.

The above leases have been reported as operating leases in the financial statements. The following is a schedule of future minimum lease payments:

Year ended September 30,	
2012	\$ 13,884
2013	6,515
2014	3,222
2015	-
2016	-

Note 11 - Contingencies

Funding

Community Alliance participates in several federally funded grant programs. Federal grant programs are subject to financial and compliance audits by the grantor or its representatives to insure recipient compliance with terms of the grant programs. Management maintains that any liability for reimbursement of grant funds to a grantor resulting from an audit would not be material to the financial statements.

Refundable Advances

As detailed in Note 6, CHA and GNH received several refundable advances for homes financed with federal funds and passed through the City of Ann Arbor, Washtenaw County, and MSHDA. While CHA or GNH hold title to the properties, any proceeds received from the sale of any HOME Homeownership Assistance property may be utilized for either the development of other affordable housing projects or other HOME-eligible activities in the HOME Consortium and Urban County areas, subject to the review and approval by the County Community Developer Officer.

Litigation

As a result of Community Alliance's reorganization and subsequent layoffs in June, 2011, two former employees filed charges of wrongful termination against Community Residence Corporation (CRC) due to racial discrimination. On December 6, 2011, the claim was concluded out of court, with the total settlement being covered by insurance. CRC's total cost for this settlement process was \$5,000, which consisted of legal fees. The legal expenses of \$5,000 have been accrued as of September 30, 2011.

Vehicle Return

CRC has purchased vehicle equipment under a cost reimbursement contract with the State of Michigan. Cancellation of this contract would require the return of these vehicles to the state, subject to underlying loans.

Community Alliance
Notes to the Financial Statements
For the Years Ended September 30, 2011 and 2010

Note 12 - Impairment

Real estate assets in Southeast Michigan have experienced a sudden and substantial decline in market value. The net book value of land and buildings (cost less depreciation) were evaluated against the decline in the market value of these same assets. While the fair market value of the buildings have decreased and are currently less than the carrying value, the organization is not planning to sell the buildings in the near future and the decrease has not been deemed to be "not recoverable" at this time. Therefore, management believes there is no impairment issue at this time.

Note 13 - Tax Status

The four organizations that make up Community Alliance (CRC, CLN, CHA and GNH) have been determined to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the organizations' tax-exempt purposes may be subject to taxation as unrelated business income. Provisions are made for income taxes based on taxable income, if any, arising from such activities. In addition, all four organizations qualify for the charitable contribution deduction under Section 170(b)(1)(A) and have been classified as organizations other than private foundations under Section 509(a)(2).

On October 1, 2009, Community Alliance adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. Community Alliance has analyzed tax positions taken for filings with the Internal Revenue Service and the State jurisdiction where it operates. Community Alliance believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on Community Alliance's financial condition, results of operations or cash flows. Accordingly, Community Alliance has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at September 30, 2011 and 2010.

Community Alliance may be subject to random audits by taxing jurisdictions; however, there are currently no audits in progress for any prior tax periods. The four organizations making up Community Alliance (CRC, CLN, CHA and GNH) file information returns in the U.S. federal jurisdiction. The statute of limitations is generally three years for federal returns. The four organizations (CRC, CLN, CHA, and CRC) file annual information updates with the State of Michigan in order to maintain corporate status. All four organizations are up-to-date with these filings as of September 30, 2011.

Note 14 - Temporarily Restricted Net Assets

Cash received from the City of Ann Arbor/Washtenaw County Office of Community Development for the Acquisition, Rehab and Resale Program, plus home resale proceeds, are held in a separate bank account until utilized on other qualifying projects. The temporarily restricted balance as of September 30, 2011 and 2010 consisted of the following:

	2011	2010
Restricted amounts received	\$ 639,922	\$ 518,649
Released from restriction	(624,339)	(603,278)
Net change	15,583	(84,629)
Beginning balance October 1	11,715	96,344
Ending balance September 30	<u>\$ 27,298</u>	<u>\$ 11,715</u>