

Company Shops Market

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Financial Statements

2010





THOMAS CHANDLER THOMAS & HINSHAW, LLP

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors

Company Shops Market, Inc.
PO Box 848
Burlington, NC 27216

We have compiled the accompanying balance sheet of Company Shops Market, Inc. as of December 31, 2010 and the related statements of income for the one month and twelve months then ended and the accompanying supplementary information contained in Schedule I, which is presented only for supplementary analysis purposes. We have not audited or reviewed the accompanying financial statements and supplementary schedule and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary schedule are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements and supplementary schedule in accordance with the accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and supplementary schedule.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supplementary schedule without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements or supplementary schedule.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Thomas Chandler Thomas & Hinshaw, LLP
Burlington, NC 27216

January 18, 2011

Member of:
American Institute of Certified Public Accountants
North Carolina Association of Certified Public Accountants

Company Shops Market, Inc.
BALANCE SHEET
December 31, 2010

ASSETS

CURRENT ASSETS

Fidelity Bank - Operating Acct	117,374.55
Fidelity Bank-Investment Funds	123,573.91
MidCarolina Money Market Acct	7,936.57
Grant Receivable	17,500.00
Pledge Receivable	<u>25,000.00</u>

Total Current Assets \$ 291,385.03

PROPERTY AND EQUIPMENT

Building	338,393.70
CIP - Building	98,438.91
CIP - Equipment	31,241.13
CIP - Loan Closing Costs	<u>16,046.25</u>

Total Property and Equipment \$ 484,119.99

TOTAL ASSETS \$ 775,505.02

LIABILITIES AND STOCKHOLDERS' EQUITY

SHORT-TERM LIABILITIES

Payroll Liabilities	<u>\$ 1,512.62</u>
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Total Short-Term Liabilities \$ 1,512.62

LONG-TERM LIABILITIES

Note Payable - Building	14,513.70
Note Payable - Equipment	11,200.00
Note Payable - HHF	100,000.00
Note Payable - Investors	<u>216,500.00</u>

Total Long-Term Liabilities \$ 342,213.70

Total Liabilities \$ 343,726.32

STOCKHOLDERS' EQUITY

Capital Stock	\$ 230,006.95
Preferred Stock	332,900.00
Retained Earnings	(132,322.38)
Net Income (Loss)	<u>1,194.13</u>

Total Stockholders' Equity \$ 431,778.70

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$ 775,505.02

Company Shops Market, Inc.
INCOME STATEMENT
One Month and Twelve Months Ended December 31, 2010

	<u>1 Month Ended</u> <u>Dec. 31, 2010</u>	<u>12 Months Ended</u> <u>Dec. 31, 2010</u>
Revenue		
Interest Income	1.01	817.52
Contributions	0.00	54,023.00
Grants	17,500.00	17,500.00
Miscellaneous Income	0.00	500.00
Total Revenue	\$ 17,501.01	\$ 72,840.52
Operating Expenses		
Advertising and Promotion	\$ 500.00	\$ 7,211.14
Bank Service Charges	74.63	645.56
Computer and Internet Expenses	500.00	5,946.25
Dues and Subscriptions	0.00	818.00
Employee Lodging Expenses	1,320.00	1,320.00
Employee Relocation Expenses	700.00	5,700.00
Insurance Expense	0.00	2,354.60
Interest Expense	7,455.30	11,284.91
Meals and Entertainment	100.00	245.70
Miscellaneous Expense	28.76	28.76
North Carolina Taxes	0.00	119.00
Office Supplies	54.20	858.98
Payroll Expenses	440.10	440.10
Postage and Delivery	0.00	2,660.91
Printing and Reproduction	0.00	4,005.03
Professional Fees	350.00	5,659.00
Rent Expense	275.00	550.00
Repairs and Maintenance	494.03	1,578.05
Special Events	69.79	5,281.19
Telephone Expense	362.83	1,195.67
Training/Conference	90.00	280.00
Travel Expense	100.00	3,075.81
Utilities	44.81	5,179.41
Wages	5,208.32	5,208.32
Total Operating Expenses	\$ 18,167.77	\$ 71,646.39
Net Income (Loss)	\$ (666.76)	\$ 1,194.13

Company Shops Market, Inc.
SUPPLEMENTARY INFORMATION - SCHEDULE I
December 31, 2010

The City of Burlington was approved by the N.C. Department of Commerce for the Main Street Solutions Grant. The City of Burlington has designated Company Shops Market, Inc. as the sub-recipient of the grant. The grant allows for the reimbursement of qualified expenditures up to \$298,460. Qualified expenditures are facade improvements, rehabilitation in association with the building code improvements to 268 E. Front Street. As of December 31, 2010 Company Shops Market, Inc. had not received a reimbursement from this grant.

Company Shops Market, Inc. was approved by Fidelity Bank for two loans. Fidelity Bank approved Company Shops Market, Inc. for a \$850,000 loan to spend on the building. Fidelity Bank also approved Company Shops Market, Inc. for a \$250,000 loan to spend on equipment. As of December 31, 2010 Company Shops Market, Inc. had \$835,486.30 and \$238,800 left to borrow from these loans.

During December, Company Shops Market, Inc. is the recipient of a grant from the Burlington Downtown Corporation. The grant will be awarded to Company Shops Market, Inc. after it performs the required tasks for the grant. The amount awarded will be \$17,500. As of December 31, 2010 Company Shops Market, Inc. had not received this grant.