

**Henry Bellaratta, CPA PA**  
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Blueberry Pond Arts Center Inc.  
88 Perry St #4R  
New York, New York 10014


Gentlemen:

I have compiled the accompanying statement of assets, liabilities and equity income tax basis of Blueberry Pond Arts Center Inc. as of the year ended December 31, 2005 and the related statement of revenue and expense-income tax basis for the year then ended, in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the income tax basis of accounting which is a comprehensive basis of accounting other than GAAP.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, equity, revenue and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Respectfully submitted,



Henry Dellaratta  
Certified Public Accountant

March 18, 2006  
New Milford, New Jersey 07646

Blueberry Pond Arts Center Inc.  
Statement of Assets, Liabilities & Equity  
For the twelve months ended December 31, 2005  
Tax Basis  
(Unaudited)

<u>Assets</u>		
<b>Current Assets</b>		
Cash in bank	\$ 408	
Petty cash	100	
Contingency fees	<u>1,013</u>	
<b>Total Current Assets</b>		\$ 1,521
<b>Fixed Assets</b>		
Shine House improvements	60,552	
Accumulated depreciation	(1,549)	
<b>Total Fixed Assets</b>		<u>59,103</u>
<b>Total Assets</b>		<u>60,624</u>
<u>Liabilities</u>		
<b>Current Liabilities</b>		
Payroll tax - payable	2,704	
<b>Total Current Liabilities</b>		2,704
<b>Total Liabilities</b>		2,704
<u>Equity</u>		
Retained earnings	11,447	
Year-to-date Earnings	<u>40,473</u>	
<b>Total Equity</b>		<u>57,920</u>
<b>Total Liabilities &amp; Capital</b>		<u>\$ 60,624</u>

See Accountant's Compilation Report

Blueberry Pond Arts Center Inc.  
 Statement of Income & Expense  
 For the twelve months ended December 31, 2005  
 Tax Basis  
 (Unaudited)

Income	\$ 36,248
Income from activities	157,392
Income from donations	134
Food & beverages	<u>193,774</u>
Total Income	
 Cost of Goods Sold	 60,147
Supplies - Plays	1,078
Travel expenses	255
Food & beverage expense	989
Honorarium expense	857
Costumes	<u>6,300</u>
Outside vendors	<u>69,626</u>
Total Cost of Goods Sold	
	<u>124,148</u>
 Gross Profit	
 Expenses	 3,000
Rentals	22
Office supplies	5
Postage & stationary	37,571
Wages	2,201
Insurance	3,625
Utilities	13,720
Advertising	3,111
Bank charges	1,150
Repair & maintenance	797
Legal & Accounting	603
Professional dues	696
License & permits	1,020
Telephone	4,194
Pension expense	1,357
Depreciation	<u>4,603</u>
Payroll tax	<u>77,675</u>
Total Expenses	
	<u>46,473</u>
 Operating Profit	
	 <u>\$46,473</u>
 Net Profit	 <u>-----</u>

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