Greenbelt Resources Corporation

Consolidated Financial Statements
For the Periods Ended
September 30, 2013 and December 31, 2012
(unaudited)

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CONSOLIDATED BALANCE SHEETS
(unaudited)

	September 30, 2013	December 31, 2012
ASSETS		
Cash	$135,921	$20,523
Accounts receivable	163,935	
Prepaid expenses	6,000	-
Total current assets	305,856	20,523
Deposits	14,750	14,750
Property, machinery & equipment, net	51,722	69,750
Goodwill	248,906	248,906
Patent		
Total assets	$621,234	$353,929
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Convertible notes	14,100	29,100
Billings in excess of costs and estimated earnings on uncompleted contracts	375,000	71,632
Accounts payable	50,326	49,109
Accrued expenses	170,200	110,000
Total current liabilities	609,626	259,841
Commitments and contingencies		
Stockholders' equity		
Series B Convertible preferred stock, par value $0.001, 5,000,000 shares authorized, issued and outstanding	5,000	5,000
Series C Preferred stock, par value $0.001, 5,000,000 shares authorized, issued and outstanding	5,000	5,000
Common stock, par value $.001, 500,000,000 shares authorized, 215,517,171 shares issued and 214,340,150 outstanding 2012, 220,242,151 shares issued and 219,065,150 outstanding 2013	219,065	214,340
Additional paid in capital	3,052,470	3,026,895
Stock subscriptions payable	-	22,535
Deficit	(3,269,927)	(3,179,682)
Total stockholders' equity	11,608	94,088
Total liabilities & stockholders' equity	$621,234	$353,929

See accompanying notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Nine Months ended September 30, 2013	Year ended 2012
NET REVENUES	$941,927	$258,856
Cost of revenues earned	774,394	308,870
Gross profit (loss)	167,533	(50,014)
EXPENSES		
Selling, general and administrative		
Compensation	59,250	46,271
Other	108,260	44,853
Research and development	59,961	28,622
Depreciation	27,428	31,388
Interest	2,879	10,900
Total expenses	257,778	162,034
Operating (loss)	(90,245)	(212,048)
NET LOSS BEFORE INCOME TAXES	(90,245)	(212,048)
Provision for income taxes	-	-
NET LOSS	($90,245)	($212,048)
NET LOSS PER SHARE - BASIC		*
Weighted Average Number of Common Shares Outstanding	219,065,150	214,340,150

* less than ($0.01) per share

See accompanying notes to consolidated financial statements.

Greenbelt Resources Corporation
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CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Nine Months ended September 30, 2013	Year ended 2012
OPERATING ACTIVITIES		
Net loss	($90,245)	($212,048)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	27,428	31,388
Underpayment - stock subscription	965	-
Common stock issued for services	6,800	-
Changes in operating assets and liabilities		
Accounts receivable	(163,935)	-
Prepaid expenses	(6,000)	-
Accounts payable	1,217	5,482
Accrued expenses, including interest	60,200	62,500
Billings in excess of costs and estimated earnings on uncompleted contracts	303,368	71,632
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	139,798	(41,046)
INVESTING ACTIVITIES		
Common stock voided	-	(1,177)
Purchase of equipment	(9,400)	-
NET CASH USED IN INVESTING ACTIVITIES	(9,400)	(1,177)
FINANCING ACTIVITIES		
Convertible notes	-	29,100
Payments on convertible notes	(15,000)	
Common stock issued for stock subscriptions		-
Proceeds from stock subscriptions	-	32,500
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(15,000)	61,600
NET INCREASE IN CASH AND CASH EQUIVALENTS	115,398	19,377
CASH AND CASH EQUIVALANTS - BEGINNING OF PERIOD	20,523	1,146
CASH AND CASH EQUIVALENTS - END OF PERIOD	$135,921	$20,523

SUPPLEMENTAL CASH FLOW INFORMATION:

	2013	2012
Common stock voided	-	(1,177)
Proceeds from stock subscriptions	-	32,500
Stock issued for stock subscriptions	23,500	

See accompanying notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(unaudited)

	Preferred Stock		Common Stock		Paid-In	Common Stock	Stock	Accumulated	Total Stockholders
	Shares	Amount	Shares	Amount	Capital	Subscribed	Subscriptions	(Deficit)	Equity
BALANCE - JANUARY 1, 2012	10,000,000	$ 10,000	215,517,151	$215,517	$ 3,026,895	$ -	($9,965)	($2,967,634)	$274,813
Common stock voided			(1,177,001)	(1,177)					(1,177)
Proceeds from stock subscriptions							32,500		32,500
Net (loss)								(212,048)	(212,048)
BALANCE - DECEMBER 31, 2012	10,000,000	$10,000	214,340,150	$214,340	$3,026,895	$ -	$22,535	($3,179,682)	$94,088
Common stock issued for stock subscriptions			3,875,000	3,875	19,625		(23,500)		-
Common stock issued for services			850,000	850	5,950				6,800
Underpayment - stock subscription							965		965
Net (loss)								(90,245)	(90,245)
BALANCE - SEPTEMBER 30, 2013	10,000,000	$10,000	219,065,150	$219,065	$3,052,470	$ -	$ -	($3,269,927)	$11,608

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Note 1. Organization and Nature of Operations

Greenbelt Resources Corporation (the "Company") was organized in 2001 under the laws of the State of Nevada as "Originally New York, Inc." The Company's headquarters are located in Paso Robles, California.

The Company's fiscal year end is December 31.

The Company's current business model was formulated in 2006 and preceded the acquisition of technology acquired in a business transaction which was incorporated into a small-scale biomass/waste-to-ethanol pilot plant. This plant was completed to support the Company's business model in the biomass/waste-to-energy market as a research and development facility.

The amount paid in excess of the tangible identifiable value of the technology acquired resulted in Goodwill of $248,906 (Note 12).

The business model is to design, develop and deploy a network of cost effective sustainable energy production systems with technology that makes production of alternative fuel practical, reliable and efficient. The Company delivers business solutions with integrity and perpetually high quality control through meticulous manufacturing and remote intelligent support services. Built around the award winning "Butterfield Closed-Cycle System" ™ and controlled by proprietary automated remote controls, our technology enables customers to reduce cost and carbon footprint via small/medium-scale modularized waste-to-ethanol systems designed for localized processing of locally generated waste into locally consumed fuel, fertilizer and filtered water.

The Company is a green technology company and its common stock is quoted on the OTC market under the symbol GRCO.

Note 2. Summary of Significant Accounting Policies

Development Stage at December 31, 2011

The Company's financial statements were presented as those of a development stage company through the fiscal years ended December 31, 2011. Activities during this development stage primarily included research and development, implementing the business plan and obtaining financing.

During the year ended December 31, 2012 the Company emerged from the development stage and became a revenue producing operational company.

Principles of Consolidation

The consolidated financial statements as of and for the nine months ended September 30, 2013 and the year ended December 31, 2012 include the accounts of Greenbelt Resources Corporation and its wholly-owned subsidiary Diversified Ethanol Corporation. All inter-company accounts and transactions have been eliminated.

Cash and Cash Equivalents

The Company maintains cash balances which do not exceed federally insured limits at a single financial institution. The Company considers highly liquid investments with an original maturity of three months or less cash equivalents. There were no cash equivalents as of September 30, 2013 and December 31, 2012.

Property and Equipment

Property consisting of office furnishings, machinery and equipment is stated at cost, less accumulated depreciation.

Depreciation is calculated using the straight-line method over an estimated useful life of 5 years.

Revenue and Cost Recognition

Revenue from long-term contracts is recognized on the percentage-of-completion method, measured by the percentage of costs incurred to date to estimated total costs for each contract. This method is used because management considers total costs to be the best available measure of progress on these contracts. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change within the near term.

Contract costs include all direct materials, labor and indirect costs (such as supplies, contract labor, tools and equipment rentals) related to contract performance. General and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

Changes in estimated job profitability resulting from performance, conditions, contract penalty provisions, claims, change orders and settlements are accounted for as changes in estimates in the current period.

Construction management fee revenue is recognized on the accrual basis.

The asset “Costs and estimated earnings in excess of billings on uncompleted contracts” represents revenue recognized in excess of amounts billed.

The liability “Billings in excess of costs and estimated earnings on uncompleted contracts” represents billings in excess of revenue recognized.

Net (Loss) per Share

Basic earnings (loss) per share (“EPS”) is computed by dividing the net loss attributable to the Company that is available to common stockholders by the weighted average number of common shares outstanding. Diluted EPS gives effect to all potentially dilutive instruments which affect common stock, including stock warrants, convertible debt and convertible preferred stock, using the if converted method. Diluted EPS excludes all dilutive potential shares of common stock if their effect is anti-dilutive.

At September 30, 2013 the Company had Series B Preferred Convertible Stock as a potentially dilutive instrument.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes.

Such estimates and assumptions impact, among others, the valuation and potential impairment associated with intangible assets, costs associated with long term contracts and estimates pertaining to the valuation allowance for deferred tax assets.

These estimates require management to exercise significant judgment and it is reasonably possible that conditions or circumstances management considered in formulating an estimate could change. Accordingly, actual results could differ from estimates.

Risks and Uncertainties

The Company's operations are subject to significant risks and uncertainties including financial, operational and regulatory risks and the potential risk of business failure (Note 4).

Intangible Assets

Goodwill

The Company's intangible asset consists of research and development technology acquired in a business transaction and incorporated into a biomass/waste-to-ethanol plant currently used for research and development.

The Company reviews this intangible asset annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Intellectual Property

The Company currently anticipates certain services and products to be sold under patents, trademarks, trade names and perhaps copyrights.

Such intellectual property could become significant assets and may provide both product recognition and commercial sale or licensing revenues. The Company intends on seeking patent and other intellectual property protection covering services and products, as appropriate.

The Company believes it holds certain common law trademark and trade name rights. Additionally, as the Company develops and improves technologies, it will make applications to seek patent protections using best efforts to ensure the rights to all intellectual property potentially held are adequately protected.

There can, however, be no assurance that these rights can be successfully asserted in the future or will not be invalidated, circumvented or challenged.

Non-Monetary Transactions

The Company has established a policy related to the methodology to be used to determine the value assigned to each intangible asset acquired and used or licensed by us and for services or products received by us and compensated by common stock. Value is based on the market price of the common stock issued as consideration at the date of the agreement for each transaction or when the service is rendered or product is received, as adjusted for applicable discounts.

The methods, estimates and judgments used in applying this policy may have a significant impact on the financial statements.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities at tax rates expected to be in effect when such assets or liabilities are realized or settled. Deferred income tax assets are reduced by a valuation allowance.

Assessing whether deferred tax assets are realizable requires significant judgment. The Company considers all available positive and negative evidence, including historical operating performance and expectations of future operating performance. The ultimate realization of deferred tax assets is often dependent upon future taxable income. To the extent the Company believes it is more likely than not that all or some portion of the asset will not be realized, valuation allowances are established against the Company's deferred tax assets, which may increase income tax expense in the period when such a determination is made.

On January 1, 2010, the Company adopted the provisions of ASC 740-10, "Accounting for Uncertainty in Income Taxes" – an interpretation of FASB Statement No. 109.

ASC 740-10 requires a company to recognize the financial statement effect of a tax position when it is more likely than not (defined as a substantial likelihood of more than 50%), based on the technical merits of the position, that the position will be sustained upon examination.

Income taxes include the largest amount of tax benefit for an uncertain tax position that is more likely than not to be sustained upon audit based on the technical merits of the tax position. Settlements with tax authorities, the expiration of statutes of limitations for particular tax positions or obtaining new information on particular tax positions may cause a change to the effective tax rate. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes on the statement of operations when applicable.

There were no unrecognized tax benefits for the periods ended September 30, 2013 and December 31, 2012, respectively.

Share- Based Payment Arrangements

Generally, all forms of share-based payments, including stock option grants, warrants and restricted stock grants are measured at fair value on the awards' grant date, based on estimated number of awards that are ultimately expected to vest. Share-based compensation issued for services rendered are recorded at either the fair value of the services rendered or the fair value of the share-based payments, whichever is more readily determinable.

All share-based payments made to date have vested upon issuance.

Fair Value of Financial Instruments

The Company measures assets and liabilities at fair value based on an expected exit price as defined by the authoritative guidance on fair value measurements, which represents the amount that would be received on the sale of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level.

The following are the hierarchical levels of inputs to measure fair value:

Level 1 – Observable inputs that reflect quoted market prices in active markets for identical assets or liabilities.

Level 2 – Inputs reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Unobservable inputs reflecting the Company's assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

Research and Development

Company sponsored research and development expenses that do not consist of component parts which have a future alternative use are expensed as incurred.

For the nine months ended September 30, 2013 and the year ended December 31, 2012, expenses were $59,961 and $28,622, respectively.

Advertising

The Company's policy is to expense advertising costs as incurred. Advertising expense for the period ended September 30, 2013 and the year ended December 31, 2012 were $10,496 and $500, respectively.

Recent Accounting Pronouncements

There are no new accounting pronouncements that have a material impact on the Company's financial statements.

Note 3. Stockholder' Equity

Common Stock

The Company is authorized to issue 500,000,000 shares of common stock, par value $0.001 per share.

The holders of the Company's common stock are entitled to one vote for each share held of record on all matters submitted for a vote of stockholders. Holders of common stock have no pre-emptive rights and no right to convert stock into any other security.

The Company's officers and directors currently own approximately 42% of the shares of outstanding common stock.

Preferred Stock

Series A Preferred Stock

No Series A Preferred Stock has been authorized.

Series B Convertible Preferred Stock

As of September 30, 2013, 5,000,000 shares of Series B Convertible Preferred Stock, par value $0.001, was issued and outstanding and held in a Voting Trust, the sole Trustee of which is an officer and director of the Company. Series B Convertible Preferred Stock can only be issued to Company directors.

Each share of Series B Convertible Preferred Stock is entitled to one vote per share at the time of each vote and ordinary dividends only if declared simultaneously with dividends on common shares.

Each share of Series B Convertible Preferred Stock can be converted into one (1) share of Common Stock.

The Series B Convertible Preferred Stock is non-cumulative, has no liquidation value, no put option and is redeemable only by the Company.

Series C Preferred Stock

As of September 30, 2013, 5,000,000 shares of Series C Preferred Stock, par value $0.001 per share, was issued and outstanding and held by officers and directors of the Company.

The Series C shares divide voting rights equally among the Board of Directors at the time of each vote and have either (a) a 100-to-1 voting right as a group or (b) have a 51% voting right in the event 100-to-1 is no longer a majority vote.

The Series C Preferred Stock is entitled to ordinary dividends only if declared simultaneously with dividends on common shares.

The Series C Preferred Stock is non-convertible, non-cumulative, has no liquidation value, no put option and is redeemable only by the Company.

Note 4. Going Concern

The Company had a net loss of ($90,245) for the nine months ended September 30, 2013.

The Company does not yet have a history of financial stability. Prior to the current period, the principal source of liquidity had been the issuance of convertible debt, equity securities and officer loans. The Company emerged from the development stage in 2012 and the deficit accumulated during the development stage was approximately ($2, 900,000).

These factors raise doubt about the Company's ability to continue as a going concern.

The ability of the Company to continue operations is dependent on the success of management's plans, which include the operational business model described at Note1 and obtaining capital from either funds provided by operations or other sources until such time that total funds are sufficient to provide for working capital requirements.

The Company will require these funds to finance the growth of its current and expected future operations. The Company believes its current available cash along with anticipated cash may be insufficient to meet its cash needs for the long-term future. There can be no assurance that financing, if necessary, will be available in amounts or terms acceptable to the Company, if at all.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the settlement of the liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 5. Costs and Estimated Earnings on Uncompleted Contracts

The following is a summary of costs, estimated earnings and billings on uncompleted contracts for the period ended September 30, 2013.

Costs incurred on uncompleted contracts	$487,410
Estimated earnings	496,200
Less: billings to date	(983,610)
	$ 0

Included in the accompanying Balance Sheet under the following caption is:

Billings in excess of costs and estimated earnings on uncompleted contracts	$375,000

Note 6. Backlog

The following summarizes changes in backlog on contracts during the nine months ended September 30, 2013. Backlog represents the amount of revenue the Company expects to realize from work to be performed on uncompleted contracts in process at September 30, 2013 and from contractual agreements on which work has not yet begun.

Backlog at December 31, 2012	$333,539
New contracts during the period	1,639, 600
Less: Contract revenue earned	(941,927)
Backlog at September 30, 2013	$1,031,212

Note 7. Related Party Transactions

A company in which an officer and director is a cofounder and 10% owner provides certain components of Greenbelt's products. During the nine months ended September 30, 2013 and the year ended December 31, 2012, respectively, payments of $137,000 and $39,000 were made to this company to incorporate these components into revenue producing products and the research and development facility.

The Company leases space for manufacturing and assembly from an officer and director. The estimated payments for the initial lease year cannot exceed $30,000 (Note 13).

Certain officers of the Company deferred payment of a portion of their cash and other compensation in prior years.

In December 2011, the Company agreed to issue non-cash share - based compensation in the form of 86.5 million shares of common stock, valued at $0.008 per share, partially in settlement of all compensation due. At September 30, 2013, 500,000 of these shares had not been issued.

Note 8. Convertible Notes

In 2012, the Company issued $29,100 in interest bearing convertible notes which may be repaid in cash or shares of common stock at the option of the Company (Note 14).

Note 9. Income Taxes

In 2012 the Company has net operating loss carry forwards of approximately $ 3,095,000 at September 30, 2013 and research and development credit carry forwards of approximately $86,000, expiring in various periods through 2029. Utilization of the net operating loss carry forwards are and may be limited due to ownership changes.

The valuation allowance at September 30, 2013 was approximately $1,137,633. The increase in valuation allowance during the period ended September 30, 2013 was approximately $31,000.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon future taxable income during the periods in which those temporary differences become deductible.

Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Management has determined that enough uncertainty exists relative to the realization of the deferred income tax asset balance to warrant the application of a full (100%) valuation allowance as of September 30, 2013.

The Company has not filed its Federal or State income tax returns for the years ended December 31, 2010, 2011 and 2012. Management plans to file these tax returns within the next 30 days.

There was no income tax expense for the period ended September 30, 2013 and the year ended December 31, 2012.

Components of significant net deferred tax assets, including a valuation allowance, are approximately as follows:

	Deferred Tax Assets	Valuation Allowance	Balance
Deferred tax assets as of December 31, 2012	$1,106,633	($1,106,633)	$ 0
Additions	31,000	(31,000)	$ 0
Deferred tax assets as of September 30, 2013	$1,137,633	($1,137,633)	

The following is a reconciliation of Federal income tax expense for:

	2013	**2012**
Expected income tax (benefit) at Federal statutory tax rate of 34%	($31,000)	($78,000)
Permanent differences	-	(1,500)
Valuation allowance	31,000	79,500
Actual income tax (benefit)	$ 0	$ 0

The tax effects of temporary differences which were computed at a Federal statutory rate of 34% that give rise to deferred tax assets as of September 30, 2013 and December 31, 2012 were as follows:

	2013	2012
Net operating loss carry forwards	$31,000	$79,500
Less: valuation allowance	(31,000)	(79,500)
Net deferred tax assets recorded	$ -	$ -

Note 10. Derivative Financial Instruments

The Company's derivative financial instruments consist of a conversion option embedded in Convertible Notes and the Series B Convertible Preferred Stock.

These derivative financial instruments are categorized in Level 3 of the fair value hierarchy.

The Company has determined that there is no material realized or unrealized gain or loss to be recognized attributable to the derivative financial instruments at September 30, 2013 and December 31, 2012 and no material derivative liability to be recognized at September 30, 2013.

Note 11. Property, Machinery and Equipment

Property, machinery and equipment consist of the following:

	September 30, 2013	December 31, 2012
Biomass pilot plant	$164,000	$155,000
Equipment, furniture & fixtures	3,000	3,000
Less accumulated depreciation	(115,678)	(88,250)
	$51,722	$ 69,750

The Company's biomass/waste-to-ethanol pilot plant is deemed to have an alternative future use and the physical component parts of the plant are capitalized and are being depreciated over 5 years.

All other research and development costs associated with the design and construction of this plant are being expensed as incurred.

Note 12. Goodwill & Other Intangible Assets

The Company's Goodwill of $248,906 consists of technology acquired and incorporated into the biomass/waste-to-ethanol pilot plant. This plant is currently used in continuing research and development to support the business model.

There were no impairment charges during the nine months ended September 30, 2013 or the year ended December 31, 2012, respectively.

The Company obtained a provisional patent for a proprietary low cost highly efficient simplified module design to house ceramic membranes and is currently in the process of applying for a permanent patent.

Note 13. Leases

The Company is obligated under an operating lease agreement for a 4,800 square foot manufacturing and assembly facility. The lease commenced September 4, 2013 and can expire either three (3) months from the date of written notice of termination by either party or thirty six (36) months, whichever comes earlier. The facility is used to assemble and test products prior to delivery to customers.

The Company is obligated under an operating lease agreement for a 3,500 square foot premises used for research and development activities. The lease term is month to month with no penalty for termination.

Rent expense for the period ended September 30, 2013 and the year ended December 31, 2012 was $ 27,144 and $ 24,123, respectively.

At September 30, 2013, future rental commitments are approximately $17,500.

Note 14. Commitments and Contingencies

Consulting Agreements

The Company has annual renewable consulting agreements with two executive officers. These agreements provide for minimum salary levels, bonus compensation, change of control and other provisions typical of such agreements.

Performance Bond

In 2011, the Company entered into an agreement to potentially issue 20.0 million shares of common stock, valued at $0.05 per share, as consideration for a commitment to guarantee a Performance Bond related to one of the Company's projects. The agreement also contained other contingent terms and conditions.

As of September 30, 2013 these shares have not been issued and the estimated expense attributable to earned revenue is included in cost of revenues earned in their respective periods.

Commitments for Common Stock

In 2012 and 2013, the Company entered in several agreements to potentially issue a total of 2.5 - 5.0 million shares of common stock valued in a range of $0.008 - $0.015 per share as consideration for certain short - term financing guarantees and other consideration.

Purchase Agreements

In 2013 the Company entered into several contractual arrangements with suppliers to provide product components. The outstanding balances due on these commitments as of September 30, 2013 are approximately $105,000.

From time to time, the Company may become subject to threatened and/or asserted claims arising in the ordinary course of business. Management is not aware of any matters, either individually or in the aggregate, that are reasonably likely to have a material adverse effect on the Company's financial condition, results of operations or liquidity.