MUST MINISTRIES, INC.

FINANCIAL REPORT

JUNE 30, 2010

MAULDIN
& JENKINS

MUST MINISTRIES, INC.
FINANCIAL REPORT
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MAULDIN
& JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
MUST Ministries, Inc.
Marietta, Georgia

We have audited the accompanying statement of financial position of MUST Ministries, Inc. (a nonprofit organization) as of June 30, 2010, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of MUST Ministries, Inc.'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MUST Ministries, Inc.'s internal control over financial reporting. Accordingly, we express no such opinion. 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 MUST Ministries, Inc. as of June 30, 2010, 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 March 31, 2011, on our consideration of MUST Ministries, Inc.'s 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 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 of MUST Ministries, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 31, 2011

MUST MINISTRIES, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010

ASSETS		2010
CURRENT ASSETS		
Cash and cash equivalents	$	853,183
Grants and contracts receivable		355,485
Pledges receivable, net of $15,895 allowance and $31,620 discount		1,499,324
Total current assets		2,707,992
NONCURRENT ASSETS		
Pledges receivable, net of $40,475 allowance and $137,055 discount		1,216,389
Property and equipment, net of accumulated depreciation		6,679,027
Investments held at the Community Foundation		100,000
Security deposits		17,226
Total noncurrent assets		8,012,642
Total Assets	$	10,720,634
LIABILITIES AND NET ASSETS		
CURRENT LIABILIITES		
Accounts payable	$	26,830
Accrued leave		79,132
Current portion of long-term debt		550,000
Total current liabilities		655,962
LONG-TERM LIABILIITES		
Long-term debt, net of current portion		2,895,000
Total Liabilities		*3,550,962*
NET ASSETS		
Unrestricted		6,982,923
Temporariliy restricted		186,749
Total net assets		7,169,672
Total Liabilities and Net Assets	$	10,720,634

See Notes to Financial Statements.

MUST MINISTRIES, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2010

	Unrestricted	Temporarily Restricted	Totals
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	$ 1,161,659	$ 707,957	$ 1,869,616
Grants	1,554	1,426,380	1,427,934
Capital Campaign	-	975,696	975,696
United Way	135,111	20,700	155,811
In-kind contributions	2,387,740	-	2,387,740
Investment income	1,650	-	1,650
Special events, net	398,257	-	398,257
Other	13,136	10,898	24,034
Net assets released from restrictions			
Satisfaction of program and time restrictions	2,967,181	(2,967,181)	-
Total revenues, gains, and other support	7,066,288	174,450	7,240,738
EXPENSES AND LOSSES			
Program services	5,655,680	-	5,655,680
Supporting services			
Management and general	540,550	-	540,550
Fundraising	825,778	-	825,778
Total supporting services	1,366,328	-	1,366,328
Total program and supporting services	7,022,008	-	7,022,008
Change in net assets	44,280	174,450	218,730
Net Assets, beginning of year as previously stated	6,714,023	12,299	6,726,322
Prior period adjustments (see Note 14)	224,620	-	224,620
Net Assets, beginning of year as restated	6,938,643	12,299	6,950,942
Net Assets, end of year	$ 6,982,923	$ 186,749	$ 7,169,672

See Notes to Financial Statements.

MUST MINISTRIES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2010

	Program Services	Supporting Services: Management and General	Supporting Services: Fund-Raising	Totals
Salaries and Wages	$ 1,323,056	$ 173,977	$ 241,596	$ 1,738,629
Fringe Benefits	243,778	52,730	46,531	343,039
Payroll Taxes	112,308	13,430	18,728	144,466
Total Salaries and Related Expenses	1,679,142	240,137	306,855	2,226,134
Food for Program Services	1,481,466	-	-	1,481,466
Rent and Utilities, including rent and utilities assistance	1,111,573	33,160	300	1,145,033
Program and Activity Supplies	948,461	571	312	949,344
Consulting and Other Prof Fees	1,237	16,115	124,953	142,305
Audit	-	15,050	-	15,050
Insurance	64,259	4,414	-	68,673
Advertising	-	-	32,115	32,115
Printing	98	2,082	68,524	70,704
Postage and Shipping	777	1,411	64,282	66,470
Office and Other Supplies	24,677	21,965	11,946	58,588
Memberships, Subscriptions and Registrations	13,891	24,273	5,382	43,546
Repair and Maintenance	45,291	603	-	45,894
Travel and Transportation	25,746	10,183	1,731	37,660
Non-Capitalized FF&E	18,399	35,002	-	53,401
Website Expenses	-	-	8,580	8,580
Food/Catering	765	10,168	32,467	43,400
Venue Rental	-	326	20,534	20,860
Apparel for Special Events	-	-	24,772	24,772
Gifts/Prizes	1,994	4,306	3,730	10,030
Interest Expense	111,366	51,400	8,567	171,333
Payroll and Other Service Fees	50	15,841	26,561	42,452
Other and Misc Expenses	106	153	2,379	2,638
Bad Debt Expense	-	-	75,396	75,396
Total Expenses Before Depreciation	3,850,156	247,023	512,531	4,609,710
Depreciation	126,382	53,390	6,392	186,164
Total Expenses	$ 5,655,680	$ 540,550	$ 825,778	$ 7,022,008

See Notes to Financial Statements.

MUST MINISTRIES, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

		2010
OPERATING ACTIVITIES		
Change in net assets	$	218,730
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		186,164
Change in grants and contracts receivable		(167,704)
Change in net pledges receivable		556,330
Change in security deposits		(1,762)
Change in accounts payable		25,768
Change in accrued expenses		(18,836)
Net cash provided by operating activities		798,690
INVESTING ACTIVITIES		
Purchase of fixed assets		(262,183)
Net cash (used in) investing activities		(262,183)
FINANCING ACTIVITIES		
Payments on long-term debt		(560,728)
Net cash (used in) financing activities		(560,728)
(Decrease) in cash and cash equivalents		(24,221)
Cash and cash equivalents, beginning of year		877,404
Cash and cash equivalents, end of year	$	853,183
Supplemental disclosures of amounts paid for:		
Interest	$	171,333

See Notes to Financial Statements.

NOTE 1. ORGANIZATION

MUST Ministries, Inc., (MUST) is a non-profit organization that was organized to provide for the needs of people in crisis, including the poor and the homeless; to assist them in maintaining and restoring their dignity with the intent of empowering them to return to an independent living status. MUST began operations in 1971 as a part of Urban Action, Inc. of Atlanta, Georgia. MUST was incorporated as a separate entity on January 20, 1993, pursuant to the Georgia Nonprofit Corporation Code. MUST has offices located in Marietta, Smyrna, and Canton, Georgia.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Organization are set forth below.

Basis of Accounting

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

MUST Ministries, Inc. follows the requirements of Financial Accounting Standards Board (FASB) ASC 958, *Financial Statements of Not-for-Profit Organizations.* Under ASC 958, MUST Ministries, Inc. 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Grants and Contracts

Grants and contracts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of contractors to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Pledges Receivable

Pledges receivable for contributions, less an allowance for uncollectible amounts, are discounted to reflect the time value of money. Contributions upon receipt are considered available for unrestricted use unless specifically restricted by the donor.

Investments

In accordance with FASB ASC 958-320, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, investments in equity securities with readily determinable fair values and all investments in debt securities shall be measured at fair value in the statement of financial position. Realized and unrealized gains and losses are recognized as changes in net assets in the periods in which they occur, and investment income is recognized as revenue in the period earned. Gains and investment income that are limited to specific uses by donor-restrictions are reflected as increases in unrestricted net assets, if the restrictions are met in the same reporting period.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment is recorded at cost, or if donated, at the fair market value on the date the asset is donated. Depreciation is computed over the estimated useful lives of these assets (5 to 40 years) using the straight-line method. Repairs and maintenance are charged to operations when incurred. Betterments and renewals in excess of $1,000 are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation are removed, and any gain or loss is included in operations.

MUST Ministries, Inc. reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Revenue Recognition

In accordance with FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made*, unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. All contributions and investment income are available for unrestricted use unless specifically restricted by the donor. Amounts received and investment income earned that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily or permanently restricted support that increases those net asset classes. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met.

In-kind contributions are recorded as revenue and expense in the accompanying financial statements. These contributions consist of food and meals, clothing, Christmas, and rent, all of which are recorded at their estimated fair values.

The Organization records the value of donated property, goods or services when there is an objective basis available to measure their value. Donated property, materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt. No amounts have been reflected in the statement of activity for volunteer services because the criteria for recognition of such volunteer effort under ASC 958-605 have not been satisfied. Nevertheless, volunteers have donated a substantial amount of their time to the program services of MUST.

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

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted 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 and changes in net assets, as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purpose of the grants since they are conditional promises to give.

There were no conditional promises to give at June 30, 2010.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants and Contracts Support

MUST is funded, in part, by contracts with various federal, state, and local government agencies and other nonprofit agencies. These contracts are generally cost reimbursement contracts for specific expenses and require the Organization to perform specific services to eligible populations. Any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by MUST with the terms of the contracts.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, *Generally Accepted Accounting Principles*, which establishes the FASB ASC as the sole source of authoritative generally accepted accounting principles. The codification is not intended to change generally accepted accounting principles (GAAP) but rather is expected to simplify accounting research by reorganizing current GAAP into topics. Pursuant to the provisions of FASB ASC 105, MUST Ministries, Inc. has updated references to GAAP in its financial statements issued for the period ended June 30, 2010. There was no impact on MUST Ministries, Inc.'s financial statements as a result of the adoption.

MUST Ministries, Inc. adopted the provisions of ASC 740-10, *Accounting for Uncertainty in Income Taxes*, on July 1, 2009. The standard provides guidance on when tax positions are recognized in an entity's financial statements and how the values of these positions were determined. There was no impact on MUST Ministries, Inc.'s financial statements as a result of the adoption.

Fair Value Presentation

Effective January 1, 2008, MUST Ministries, Inc. adopted the FASB's fair value measurements and disclosure guidance (ASC 820-10-50), which provides a framework for measuring fair value under generally accepted accounting principles. ASC 820-10-50 applies to all financial instruments that are being measured and reported on a fair value basis.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Presentation (Continued)

As defined in ASC 820-10-50, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, MUST Ministries, Inc. uses various methods including market, income, and cost approaches. Based on these approaches, MUST Ministries, Inc. often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. MUST Ministries, Inc. utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, MUST Ministries, Inc. is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities

For the fiscal year ended June 30, 2010, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

MUST Ministries, Inc. qualifies as a charitable organization as defined by Internal Revenue Code Section 501(c)(3) and, accordingly, is generally exempt from federal income taxes under Internal Revenue Code Section 501(a). It is however, required to file Federal Form 990 – Return of Organization Exempt from Income Tax. This is an informational return only. Accordingly, no provision for income taxes is made in the financial statements.

NOTE 3. INVESTMENTS HELD AT THE COMMUNITY FOUNDATION

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2010:

	Level 1	Level 2	Level 3	Total
Pooled Investment at Community Foundation	$ 100,000	$ -	$ -	$ 100,000
Total	$ 100,000	$ -	$ -	$ 100,000

The Cobb Community Foundation holds a donor-established advised fund ("MUST Ministries Foundation Fund) for the benefit of MUST Ministries, Inc. Under the terms of the agreement establishing the Fund, the principal is intended to be a permanent endowment and the earnings from the Fund are to be made available to MUST Ministries, Inc. to support its general operations. The agreement granted variance power to the Community Foundation. Thus, the Fund is owned by the Community Foundation, and the Foundation has final authority and control over the disposition of the assets and earnings of the Fund. The total amount of the fund held at the Community Foundation at June 30, 2010 was $238,165. This amount includes a matching contribution in the amount of $100,000 made by MUST Ministries, Inc. and is reflected in the statement of financial position of MUST Ministries, Inc. at June 30, 2010 as The Community Foundation does not have variance power over the $100,000 of matching funds.

It is the intention of the Board and management of MUST Ministries, Inc., to leave the matching contribution as part of the permanent endowment, but MUST reserves the right to recover the funds in the future if the Organization has the need for the funds. MUST Ministries, Inc., has not recognized its potential for future distributions from the assets held in the Fund. Those distributions, if they occur, will be recognized as contributions when received or unconditionally promised.

NOTE 4. PLEDGES RECEIVABLE

A capital fund-raising campaign began in 2007 to supplement other sources of funding for the purchase and build out of the new building to support operations, warehouse space, and day services at 1407 Cobb Parkway. All pledges made toward the capital campaign were intended for use in acquisition of the building in 2008. Contributions included cash and pledges receivable up to a five-year period. Pledges receivable consisted of the following at June 30, 2010:

	Operating Campaign	Capital Campaign	Total
Current	$ 97,650	$ 1,449,189	$ 1,546,839
Due in one to five years	238,189	1,155,730	1,393,919
	335,839	2,604,919	2,940,758
Less discount	(18,500)	(150,175)	(168,675)
	317,339	2,454,744	2,772,083
Less allowance	(16,792)	(39,578)	(56,370)
Net pledges receivable	$ 300,547	$ 2,415,166	$ 2,715,713

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment, net, consists of the following as of June 30, 2010:

Vehicles	$	78,376
Equipment		197,977
Land		1,051,696
Buildings and Improvements		6,105,193
		7,433,242
Less accumulated depreciation		(754,215)
	$	6,679,027

Depreciation expense for the year ended June 30, 2010 amounted to $186,164.

NOTE 6. VACATION AND SICK LEAVE PAYABLE

Employees earn vacation and sick leave depending on years of service. Accrued vacation is paid upon an employee's termination. Accrued sick leave is not paid upon employee termination and therefore has not been accrued at year-end. A liability for accumulated leave of $79,132 is included in the statement of financial position at June 30, 2010.

NOTE 7. 403(B) THRIFT PLAN

The Organization provides a 403(b) thrift plan which covers all eligible employees. The employees can make salary reduction contributions and the Organization can make a matching contribution. For the year ended June 30, 2010, the Organization made a contribution equal to 4% of current salary for full time participating employees. Contribution plan expense for the year was $34,451.

NOTE 8. CONCENTRATIONS

The Organization maintains several bank accounts at various banks which are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Organization has a significant concentration of cash deposited in one financial institution. This concentration comprised approximately 66% of the cash balance at June 30, 2010. Cash balances were in excess of the FDIC insured level by $314,073 as of June 30, 2010.

NOTE 9. COMMITMENTS

The Organization had various operating leases in effect during the year ended June 30, 2010. The leases include rental of office space, warehouse space, and residential apartments. The apartments are for use by consumers. The leases are one to three year operating leases with various starting and ending dates. Minimum rentals, on an annual basis, are as follows:

Year ending June 30,	2011	$ 152,865
	2012	64,779
	2013	1
	2014	1
	2015	1
	Total	$ 217,647

NOTE 10. CONSTRUCTION LOAN

During 2008, the Organization purchased a new building located at 1407 Cobb Parkway, which will provide space for day services and administrative offices to increase service delivery to clients. MUST obtained a commitment from Georgian Bank to provide construction financing. The loan agreement provided a maximum principal amount of $6,800,000. The funds could be drawn down as necessary to purchase and build out the interior of the building. The Organization has solicited funding from members through a capital fund-raising campaign to support the project. As pledges are collected, the proceeds are used to reduce the principal balance. The loan carries an interest rate of Prime plus .65%. Interest is paid monthly. The loan agreement expired on January 5, 2010.

The Organization refinanced the loan with BB&T on March 29, 2010. The loan agreement provides a maximum principal amount of $3,570,000. The loan carries an interest rate of the one month LIBOR rate plus 2.25%. Interest is paid monthly. The loan agreement is set to expire on April 5, 2017.

Scheduled maturities on long-term debt are as follows:

For the year ended June 30,

2011	$	550,000
2012		250,000
2013		250,000
2014		250,000
2015		284,959
Later Years		1,860,041
Total	$	3,445,000

NOTE 11. IN-KIND CONTRIBUTIONS

In-kind contributions were received as follows:

Food and meals	$	478,406
Food pantry		1,000,023
Clothing		441,654
Christmas		458,057
Rent		9,600
Total	$	2,387,740

In-kind contributions are recorded as revenues and expenses at fair market value as of the date of the contribution.

NOTE 12. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes at June 30, 2010:

Equipment, salaries, loan principal	$	131,587
United Way Critical Needs		9,361
Summer Lunch Program		45,801
Total	$	186,749

Temporarily restricted net assets consist of $55,162 cash and $131,587 in pledges receivable at June 30, 2010.

NOTE 13. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the year ended June 30, 2010 by incurring expenditures satisfying the restricted purposes specified by donors. Purpose restrictions accomplished are as follows:

Capital campaign	$	844,108
Federal Grants		1,402,639
Other		720,434
Total restrictions released	$	2,967,181

NOTE 14. PRIOR PERIOD ADJUSTMENTS

The Organization's net assets at June 30, 2009 have been restated to reflect unconditional promises to give that were earned during fiscal year 2009 and not recorded in the Organization's financial statements. The adjustment had the effect of increasing unrestricted net assets by $195,200, increasing pledges receivable by $167,700, and increasing contribution revenue by $27,500 at June 30, 2009.

The Organization's net assets at June 30, 2009 have been restated to reflect grant revenue earned in fiscal year 2009 and not recorded in the Organization's financial statements. The adjustment had the effect of increasing unrestricted net assets and government grant revenue by $29,420 at June 30, 2009.

NOTE 15. SUBSEQUENT EVENTS

On May 28, 2009, the FASB issued new guidance related to subsequent events. Under this guidance, companies are required to evaluate events and transactions that occur after the balance sheet date but before the date the financial statements are issued, or available to be issued. This guidance also requires entities to disclose the date through which subsequent events have been evaluated. Management has evaluated events occurring through March 31, 2011, the date the financial statements were available to be issued.