

THE FRANCIS ASBURY SOCIETY, INC.

**FINANCIAL STATEMENTS
AND
AUDIT REPORT**

DECEMBER 31, 2010 AND 2009

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position as of December 31, 2010 and 2009	2
Statement of Activities for the Year Ended December 31, 2010	3
Statement of Activities for the Year Ended December 31, 2009	4
Statements of Cash Flows for the Years Ended December 31, 2010 and 2009	5
Notes to the Financial Statements	6-13



Robinson, Hughes & Christopher, P.S.C.

Certified Public Accountants

459 West M.L. King Blvd., Suite 1, P.O. Box 880, Danville, KY 40423-0880 • (859) 236-6628 • FAX (859) 236-6660
www.rhccpas.com

SHAREHOLDERS
THOMAS A. CHRISTOPHER, CPA
LARRY T. CLARK, CPA
WALTER L. GOGGIN, CPA

JANNA S. RIGNEY, CPA
JULIE W. HOLT, CPA

CPA STAFF
MICHAEL K. STEVENS, CPA
APRIL D. MOBLEY, CPA

Business Affairs Committee
The Francis Asbury Society, Inc.
Wilmore, Kentucky

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of The Francis Asbury Society, Inc. (the Society) as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 audits provide 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 The Francis Asbury Society, Inc. at December 31, 2010 and 2009, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Robinson, Hughes & Christopher, P.S.C.

ROBINSON, HUGHES & CHRISTOPHER, P.S.C.
Certified Public Accountants

July 28, 2011

THE FRANCIS ASBURY SOCIETY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Cash and cash equivalents	\$ 1,011,405	\$ 2,367,726
Cash restricted for endowment	28,775	28,775
Cash restricted for temporary loans to fund general operations	3,200	3,200
Accounts receivable	11,111	2,641
Interest receivable	674	2,134
Bequest receivable	-	50,000
Contributions receivable	36,975	5,235
Prepaid expenses	4,539	5,855
Inventory of books and supplies	52,410	66,265
Long-term investments	55,024	48,786
Land, building, property and equipment (net)	<u>3,137,480</u>	<u>1,721,698</u>
Total Assets	<u>\$ 4,341,593</u>	<u>\$ 4,302,315</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Accounts payable	\$ 6,236	\$ 15,175
Accrued expenses	<u>4,093</u>	<u>5,791</u>
Total Liabilities	<u>10,329</u>	<u>20,966</u>
 Net assets:		
Unrestricted but designated by the governing board for:		
Publishing activities	104,734	115,768
International evangelism	28,925	29,020
Building operations and maintenance	540,040	547,276
Unrestricted and available for general use	<u>3,326,882</u>	<u>3,223,136</u>
Total unrestricted	4,000,581	3,915,200
Temporarily restricted	212,483	247,949
Permanently restricted	<u>118,200</u>	<u>118,200</u>
Total Net Assets	<u>4,331,264</u>	<u>4,281,349</u>
Total Liabilities and Net Assets	<u>\$ 4,341,593</u>	<u>\$ 4,302,315</u>

The accompanying notes are an integral part of the financial statements.

THE FRANCIS ASBURY SOCIETY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, gains and other support				
Contributions	\$ 231,087	\$ 300,039	\$ -	\$ 531,126
Program income:				
Honorariums	8,093			8,093
Conference fees	14,553			14,553
Book and tape sales	68,000			68,000
Total program income	90,646	-	-	90,646
Investment income	14,118			14,118
Other income	2,859			2,859
Net assets released from restrictions:				
Satisfaction of program restrictions	235,695	(235,695)		-
Satisfaction of time restrictions	50,960	(50,960)		-
Purchase of property and equipment	48,850	(48,850)		-
Total revenues, gains and other support	<u>674,215</u>	<u>(35,466)</u>	<u>-</u>	<u>638,749</u>
Expenses				
Program services	393,225			393,225
General supporting services	161,287			161,287
Fund-raising expenses	34,322			34,322
Total expenses	<u>588,834</u>	<u>-</u>	<u>-</u>	<u>588,834</u>
Change in net assets	85,381	(35,466)	-	49,915
Net assets at beginning of year	<u>3,915,200</u>	<u>247,949</u>	<u>118,200</u>	<u>4,281,349</u>
Net assets at end of year	<u>\$ 4,000,581</u>	<u>\$ 212,483</u>	<u>\$ 118,200</u>	<u>\$ 4,331,264</u>

The accompanying notes are an integral part of the financial statements.

THE FRANCIS ASBURY SOCIETY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, gains and other support				
Contributions	\$ 154,835	\$ 296,914	\$ -	\$ 451,749
Program income:				
Honorariums	3,843			3,843
Conference fees	9,317			9,317
Book and tape sales	59,095			59,095
Total program income	72,255	-	-	72,255
Investment income	36,325			36,325
Other income	1,182			1,182
Net assets released from restrictions:				
Satisfaction of program restrictions	258,732	(258,732)		-
Satisfaction of time restrictions	880	(880)		-
Purchase of property and equipment	732,909	(732,909)		-
Total revenues, gains and other support	<u>1,257,118</u>	<u>(695,607)</u>	<u>-</u>	<u>561,511</u>
Expenses				
Program services	431,312			431,312
General supporting services	201,133			201,133
Fund-raising expenses	74,043			74,043
Total expenses	<u>706,488</u>	<u>-</u>	<u>-</u>	<u>706,488</u>
Change in net assets	550,630	(695,607)	-	(144,977)
Net assets at beginning of year	<u>3,364,570</u>	<u>943,556</u>	<u>118,200</u>	<u>4,426,326</u>
Net assets at end of year	<u>\$ 3,915,200</u>	<u>\$ 247,949</u>	<u>\$ 118,200</u>	<u>\$ 4,281,349</u>

The accompanying notes are an integral part of the financial statements.

THE FRANCIS ASBURY SOCIETY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

<u>Cash flows from operating activities</u>	<u>2010</u>	<u>2009</u>
Change in net assets	\$ 49,915	\$ (144,977)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	20,513	3,191
Donated services received in connection with building construction	-	(18,302)
Cash contributions received for building construction	(48,850)	(17,192)
Loss on sale of contributed stock received	-	90
Loss on disposition of fixed assets	343	
Change in:		
Accounts receivable	(8,470)	1,057
Interest receivable	1,460	12,689
Bequest receivable	50,000	-
Contributions receivable	(31,740)	10,480
Prepaid expenses	1,316	499
Inventory of books and supplies	13,855	6,529
Fair value of long-term investments	(6,238)	(9,304)
Accounts payable and accrued expenses	(10,637)	(44,633)
Net cash used by operating activities	<u>31,467</u>	<u>(199,873)</u>
<u>Cash flows from investing activities</u>		
Net change in cash restricted to investment in building	-	697,415
Cash restricted for investment in building expended in support of land acquisition and building construction	(48,850)	(714,607)
Unrestricted funds expended in support of building construction	(1,151,897)	(181,171)
Furniture and equipment purchased	(235,891)	(1,551)
Proceeds from sale of contributed stock received	-	5,103
Net cash used by investing activities	<u>(1,436,638)</u>	<u>(194,811)</u>
<u>Cash flows from financing activities</u>		
Cash contributions received for acquisition of building	48,850	17,192
Decrease in notes payable	-	(40,000)
Net cash used by financing activities	<u>48,850</u>	<u>(22,808)</u>
Net decrease in cash and cash equivalents	(1,356,321)	(417,492)
Cash and cash equivalents at beginning of year	<u>2,367,726</u>	<u>2,785,218</u>
Cash and cash equivalents at end of year	<u>\$ 1,011,405</u>	<u>\$ 2,367,726</u>

The accompanying notes are an integral part of the financial statements.

THE FRANCIS ASBURY SOCIETY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Francis Asbury Society, Inc. (the Society) was incorporated on May 24, 1983. According to its Mission Statement, the purpose of the Society is to spread the message of Scriptural holiness to the ends of the earth in accordance with the Great Commission. The Society seeks to fulfill its purpose through evangelism, discipleship, missions, conferences, and Christian literature.

The Society is supported primarily through contributions from the general public.

Basis of Accounting

The financial statements of the Society have been prepared in accordance with generally accepted accounting principles (GAAP) and accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Under GAAP, the Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturity dates of less than three months.

Contributions Receivable

Unconditional promises to contribute to the Society are recorded as receivables at the time the promises are made. Conditional promises to give to the Society are recorded as receivables when the conditions on which they depend are substantially met.

Occasionally the Society asks prospective donors to commit to making monthly donations to support the general operations of the Society or a specific ministry project. The response cards on which such a commitment is made do not specify the length of the commitment. Since these pledges are indefinite as to duration and thus as to amount, management feels that they do not meet the criteria

THE FRANCIS ASBURY SOCIETY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions Receivable (continued)

for revenue recognition under GAAP and are not reflected as contributions in the statement of activities until the pledges are collected.

Inventory of Books and Supplies

Inventory values are stated at the lower of cost or market using the first-in, first-out method.

Investments

Investments in equity securities with readily determinable fair values and all investments in mutual funds holding such securities, are measured at fair value in the statement of financial position. GAAP defines fair value as 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. GAAP establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value. The fair values of equity securities and equity mutual funds held by the Society are measured using the highest level of inputs in the fair value hierarchy, quoted prices in active markets for identical assets or liabilities.

Investment income or loss (including gains and loss on investments, interest and dividends) is included in the statement of activities as increases or decreases in unrestricted or temporarily restricted net assets.

Land, Building, Property and Equipment

Land, building, property and equipment are carried at cost, or if donated, at the approximate fair value at the date of the donation. Depreciation is computed using the straight-line method with useful lives of 3 years for software, 5 years for computers and related equipment, 5-10 years for furnishings, 10 years for appliances and media equipment, and 15 - 50 years for building and building components. Items costing less than \$500 are charged to expense at the time of purchase.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are 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 as net assets released from restrictions.

Donated securities are recorded at the fair market value of the securities using the mean between the high and low values on the day of donation .

THE FRANCIS ASBURY SOCIETY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Society is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

NOTE B - CONCENTRATIONS OF CREDIT RISK

The Society maintains its deposits with various banks and three money market accounts. At December 31, 2010, the carrying amount of the Society's deposits, including restricted cash, was \$1,043,180. \$780,354 of the balance was covered by federal depository insurance. \$159,799 was covered by a repurchase agreement at a local bank. The remaining \$103,027 was invested in a money market funds held by brokerages as follows:

<u>Money Market Fund Name</u>	<u>Financial Instruments Held by Fund</u>	<u>Balance at 12/31/10</u>
Vanguard Prime	Short-term U.S. government securities, certificates of deposit, commercial paper, and other money market securities	\$95,713
Vanguard Admiral Treasury	Short-term securities backed by the full faith and credit of the U.S. government	6,649
Schwab Cash Reserves	Short-term U.S. government securities, certificates of deposit, commercial paper, and other money market securities	665
Total		<u>\$103,027</u>

Pursuant to the terms of the repurchase agreement, the bank agrees to sell and the Society agrees to purchase U.S. Government securities with a simultaneous agreement by the Society to resell and the bank to repurchase the securities on a specified date. The securities are held by a third party custodial bank, and identified on the custodial bank's records as being pledged to the Society.

NOTE C - BEQUEST RECEIVABLE

The Society was the beneficiary of a specific bequest from a donor who died during 2008. The \$50,000 bequest was unrestricted and was received in January, 2010.

NOTE D - CONTRIBUTIONS RECEIVABLE

At December 31, 2010, contributions receivable of \$36,975 consisted of a \$35,000 promise to give to the Society in support of a specific ministry and a \$1,975 promise to give in support of general operations. These promises are expected to be fulfilled in 2011.

THE FRANCIS ASBURY SOCIETY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE E - INVENTORY

Inventory consisted of the following at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Books, brochures, and tapes	\$ 52,410	\$ 65,399
Office supplies	-	866
	<u>\$ 52,410</u>	<u>\$ 66,265</u>

NOTE F - INVESTMENTS

The fair values of investments consisted of the following at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Common stock mutual fund	\$ 55,024	\$ 48,786

All investment income from cash equivalents and investments for 2010 and 2009 was considered to be unrestricted and was comprised of the following:

	<u>2010</u>	<u>2009</u>
Interest	\$ 6,928	\$ 26,111
Dividends	951	1,000
Net realized gains (losses)	-	(90)
Net unrealized gains (losses)	6,239	9,304
	<u>\$ 14,118</u>	<u>\$ 36,325</u>

NOTE G - ENDOWMENT

The Society's endowment consists of three funds established for a variety of purposes. One of these funds was established by donors and two of the funds were designated by the Society's Board of Directors (the Board). As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The assets of the three endowment funds are maintained and accounted for in two separate pools of funds. Two funds share in one pool, which consists of a common stock mutual fund, described in Note F, and certificates of deposit. One of the two funds participating in this pool was established by donors with the related income to be used for general operating needs of the Society. The second fund participation in this pool was established by Board designation with the related income to be used in support of international evangelism.

In 2010 and 2009, all ordinary income generated by the above described investment pool was considered to be available for immediate use under the spending rule described on the following page.

THE FRANCIS ASBURY SOCIETY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE G - ENDOWMENT (continued)

Using \$500,000, the Board established a fund for the operation and maintenance of the new headquarters building completed in 2010. The assets of this fund are maintained in certificates of deposit and money market accounts. The Board designated that the interest generated by these deposits not be available for use until completion of construction of the headquarters building.

The funds in the above described investment pools have been designated by the Board as being subject to its "spending rule for endowment funds". Under the spending rule, ordinary income (i.e., interest and dividends) of up to 4% of a three-year average of the year-end fair market value of these assets is available for general operations. If ordinary income for a given year exceeds 4% of the three-year average of year-end market values, the excess is carried over to subsequent years to help meet the maximum of 4% to be available in the subsequent years.

Capital gains (realized and unrealized) are available to meet the 4% spending rule described above, if the market value of the assets of the investment pool at year-end exceeds the amount of the original contributions and/or Board designations establishing the fund (i.e. historical cost). Because the market value of the assets in the investment pool were less than their historical cost, none of the capital gains attributable to the investment pool are currently available for use.

Endowment net asset composition by fund type as of December 31, 2010 was as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted	\$ (47,163)	\$ -	\$ 115,000	\$ 67,837
Board-designated	568,964	-	-	568,964
Total funds	<u>\$ 521,801</u>	<u>\$ -</u>	<u>\$ 115,000</u>	<u>\$ 636,801</u>

Endowment net asset composition by fund type as of December 31, 2009 was as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted	\$ (51,592)	\$ -	\$ 115,000	\$ 63,408
Board-designated	573,962	-	-	573,962
Total funds	<u>\$ 522,370</u>	<u>\$ -</u>	<u>\$ 115,000</u>	<u>\$ 637,370</u>

THE FRANCIS ASBURY SOCIETY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE G - ENDOWMENT (continued)

Changes in endowment related net assets for the year ended December 31, 2010 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Assets at the beginning of year	\$ 522,370	\$ -	\$ 115,000	\$ 637,370
Investment return:				
Interest	4,508	-	-	4,508
Dividends	951	-	-	951
Net unrealized gains	6,239	-	-	6,239
Total investment return	<u>11,698</u>	<u>-</u>	<u>-</u>	<u>11,698</u>
Appropriation for expenditure	<u>(12,267)</u>	<u>-</u>	<u>-</u>	<u>(12,267)</u>
Assets at the end of year	<u>\$ 521,801</u>	<u>\$ -</u>	<u>\$ 115,000</u>	<u>\$ 636,801</u>

Changes in endowment related net assets for the year ended December 31, 2009 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Assets at the beginning of year	\$ 502,953	\$ -	\$ 115,000	\$ 617,953
Investment return:				
Interest	11,231	-	-	11,231
Dividends	1,000	-	-	1,000
Net unrealized gains	9,304	-	-	9,304
Total investment return	<u>21,535</u>	<u>-</u>	<u>-</u>	<u>21,535</u>
Appropriation for expenditure	<u>(2,118)</u>	<u>-</u>	<u>-</u>	<u>(2,118)</u>
Assets at the end of year	<u>\$ 522,370</u>	<u>\$ -</u>	<u>\$ 115,000</u>	<u>\$ 637,370</u>

THE FRANCIS ASBURY SOCIETY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE H - LAND, PROPERTY AND EQUIPMENT

Land, property and equipment consisted of the following at December 31:

	<u>2010</u>	<u>2009</u>
Building	\$ 2,636,887	\$ -
Land	281,084	281,084
Office furniture and furnishings	128,655	5,707
Media equipment	69,401	598
Office equipment	25,979	8,467
Appliances	18,370	-
Computer equipment and software	14,905	16,005
Building construction in process	-	1,436,140
	<u>3,175,281</u>	<u>1,748,001</u>
Less: accumulated depreciation	(37,801)	(26,303)
	<u>\$ 3,137,480</u>	<u>\$ 1,721,698</u>

NOTE I - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets were available for the following purposes at December 31:

	<u>2010</u>	<u>2009</u>
Ministry projects	\$ 131,975	\$ 103,911
Designated for future general operations	1,975	52,935
African pastor development & book distribution	52,387	52,768
Book publication	14,565	19,236
Evangelists	6,555	8,148
Systematic Theology Project	-	2,356
Building fund	-	2,300
Academic Conference	1,544	1,544
Pivotal Impact Project	2,910	1,344
Mission projects	-	1,024
Other	572	2,383
	<u>\$ 212,483</u>	<u>\$ 247,949</u>

Permanently restricted net assets were available for the following purposes at December 31:

	<u>2010</u>	<u>2009</u>
Endowment - related income available for general operations	\$ 115,000	\$ 115,000
Temporary loans to fund general operations	3,200	3,200
	<u>\$ 118,200</u>	<u>\$ 118,200</u>

THE FRANCIS ASBURY SOCIETY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE J - TAX DEFERRED RETIREMENT PLAN

Electing staff of the Society may participate in a 403(b) tax-deferred retirement plan. Contributions to the plan are made solely at the election of the employee through salary reductions and may not exceed certain statutory limits.

NOTE K - CONTRIBUTIONS

The majority of the Society's contributions is generally provided by a limited number of individuals and foundations. During 2010, the five donors contributing the largest amounts provided \$69,400 in temporarily restricted contributions and \$118,396 in unrestricted contributions. During 2009, the five donors contributing the largest amounts provided \$123,402 in temporarily restricted contributions and \$33,424 in unrestricted contributions. In both years, two individuals were among the five donors contributing the largest amounts.

NOTE L - DONATED SERVICES

During 2009, engineering services valued at \$18,302 were donated to the Society in support of the construction of a new headquarters building. This donation has been reflected in the financial statements as a component of temporarily restricted contributions and has been capitalized as part of the cost of the building.

During both 2010 and 2009, volunteers provided limited assistance in preparing small bulk mailings, editing assistance, transcribing of tapes, and office duties. The total time provided by these volunteers would have been approximately 500 hours in each of the years. Additionally, the Society's board of directors serves without pay. None of these donated services are reflected in the financial statements since they do not meet the criteria for recognition under generally accepted accounting principles.

NOTE M - NOTES PAYABLE

In 2009, the final payment was made on a note used in 2005 to help finance the purchase land on which the Society's new headquarters was eventually built.

Interest of \$224 was accrued and interest of \$1,200 was paid on the note during 2009.

NOTE O - SUBSEQUENT EVENTS

Events subsequent to December 31, 2010 have been evaluated to determine their potential impact on the financial statements. Events through July 28, 2011, the date the financial statements were available to be issued, were considered.

There were no events occurring during this period requiring disclosure in the financial statements.