

**MIRACLE HILL MINISTRIES, INC.**

**FINANCIAL STATEMENTS AND SCHEDULES**  
**June 30, 2010**

**(With Independent Auditors' Report Thereon)**



**MIRACLE HILL MINISTRIES, INC.**  
**June 30, 2010**

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**Miracle Hill**  
MINISTRIES

September 3, 2010

### Management Responsibility

We are pleased to submit the annual Financial Report of Miracle Hill Ministries, Inc. for the fiscal year ended June 30, 2010. We are stewards of God's gifts from our donors and we take the responsibility of that stewardship very seriously. Management is responsible for the objectivity and integrity of the accompanying financial statements and notes, which have been prepared in conformance with accounting standards generally accepted in the United States of America, and include certain amounts that are based on management's best estimates and judgments.

Management is responsible for maintaining the Ministries' system of internal control that includes careful selection and development of staff, proper division of duties, and written policies and procedures. Although there are inherent limitations to the effectiveness of any system of accounting controls, management believes that the Ministries' system provides reasonable assurance that assets are safeguarded from unauthorized use or disposition and that the accounting records are sufficiently reliable to permit the preparation of financial statements that conform in all material respects with generally accepted accounting principles.

Our independent auditors, Martin Smith & Company, CPAs, provide an objective independent audit of the consolidated financial statement. Their resulting report of fiscal 2010 is included.

The Board of Directors, composed exclusively of independent, outside directors, meets annually with the independent auditors and through the audit committee meets regularly with the independent auditors to review accounting and internal control matters. Part of these meetings are conducted with no staff present. The audit committee also recommends to the Board the appointment of the independent auditors.

Respectfully submitted,

Reid Lehman  
President/CEO

Wayne Copeland  
Chief Financial Officer

Marilyn Folio  
Controller

*Providing shelter,  
food and hope  
since 1937.*

# MARTIN SMITH & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, PA

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Miracle Hill Ministries, Inc.

We have audited the accompanying statement of financial position of Miracle Hill Ministries, Inc., as of June 30, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Ministry'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. 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 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 Miracle Hill 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.

August 30, 2010

*Martin Smith & Company CPAs PA*

**MIRACLE HILL MINISTRIES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2010**

**ASSETS**

Cash and cash equivalents	\$	13,260
Receivables		136,543
Assets whose use is limited:		
Temporarily restricted cash and cash equivalents		754,317
Temporarily restricted investments		988,149
Permanently restricted investments		3,738,127
Property held for sale		232,300
Property and equipment, net		<u>13,725,059</u>
 Total assets	 \$	 <u><u>19,587,755</u></u>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$	25,734
Annuity liability		693,901
Accrued expenses		155,291
Notes payable		<u>2,380,946</u>
Total liabilities		<u>3,255,872</u>
 Net assets		
Unrestricted		11,304,405
Temporarily restricted:		
Restricted for endowment	425,175	
Restricted for annuities	353,204	
Restricted for capital projects	<u>510,973</u>	1,289,352
Permanently restricted for endowment		<u>3,738,127</u>
Total net assets		<u>16,331,884</u>
 Total liabilities and net assets	 \$	 <u><u>19,587,755</u></u>

See accompanying notes to financial statements.

**MIRACLE HILL MINISTRIES, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Revenue and support:</b>				
Contributions and bequests	\$ 3,103,998	\$ 1,679,288	\$ 154,034	\$ 4,937,320
Contractual funding	1,872,093	-	-	1,872,093
Room and board fees	201,122	-	-	201,122
Industrial sales	3,054,488	-	-	3,054,488
Miscellaneous income	651	-	-	651
Investment income	28,334	-	-	28,334
Realized gain on sale of investments	115,636	-	-	115,636
Unrealized gain on investments	349,797	-	-	349,797
Loss on sale of assets	(25,127)	-	-	(25,127)
Change in value of annuities	(38,205)	-	-	(38,205)
Net assets released from restrictions	<u>1,466,114</u>	<u>(1,466,114)</u>	<u>-</u>	<u>-</u>
<b>Total revenue and support</b>	<u>10,128,903</u>	<u>213,174</u>	<u>154,034</u>	<u>10,496,110</u>
<b>Expenses:</b>				
<b>Program services:</b>				
Greenville Rescue Mission/Overcomers	806,935	-	-	806,935
Emergency Relief	141,387	-	-	141,387
Thrift Operations	2,548,121	-	-	2,548,121
Children's Home	1,485,058	-	-	1,485,058
Boys' Shelter	702,585	-	-	702,585
Shepherd's Gate	370,281	-	-	370,281
Renewal	423,038	-	-	423,038
Transitional Housing	126,940	-	-	126,940
Rescue Mission - Cherokee Co.	288,598	-	-	288,598
Rescue Mission - Spartanburg	564,733	-	-	564,733
<b>Total program services</b>	<u>7,457,676</u>	<u>-0-</u>	<u>-0-</u>	<u>7,457,676</u>
<b>Supporting services:</b>				
General and administrative	1,084,361	-	-	1,084,361
Fundraising	916,569	-	-	916,569
<b>Total supporting services</b>	<u>2,000,930</u>	<u>-0-</u>	<u>-0-</u>	<u>2,000,930</u>
<b>Total expenses</b>	<u>9,458,606</u>	<u>-0-</u>	<u>-0-</u>	<u>9,458,606</u>
<b>Changes in net assets</b>	670,297	213,174	154,034	1,037,505
<b>Net assets at beginning of year</b>	<u>10,634,108</u>	<u>1,076,178</u>	<u>3,584,093</u>	<u>15,294,379</u>
<b>Net assets at end of year</b>	<u>\$ 11,304,405</u>	<u>\$ 1,289,352</u>	<u>\$ 3,738,127</u>	<u>\$ 16,331,884</u>

See accompanying notes to financial statements.

**MIRACLE HILL MINISTRIES, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2010**

Cash flows from operating activities:	
Increase in net assets	\$ 1,037,505
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	850,581
Unrealized gain on investments	(349,797)
Loss on sale of assets	25,127
Actuarial loss on annuity liability	38,205
Contributions restricted for long-term investments and debt reduction	(1,148,709)
(Increase) decrease in assets:	
Accounts receivable	18,066
Prepaid expenses	45,449
Cash surrender value of life insurance	60,100
Increase (decrease) in liabilities:	
Accounts payable	(6,965)
Annuity liability	216,444
Accrued expenses	15,257
Net cash provided by operating activities	<u>801,263</u>
 Cash flows from investing activities:	
Purchases of investments, net	(371,636)
Proceeds from sale of assets	99,661
Purchases of property and equipment	(1,857,558)
Purchases of property held for sale	(35,000)
Net cash used in investing activities	<u>(2,164,533)</u>
 Cash flows from financing activities:	
Contributions restricted for long-term investments and debt reduction	1,148,709
Borrowings under line of credit, net	281,000
Borrowings under mortgage loan	320,000
Payments on long-term debt	(417,121)
Net cash provided by financing activities	<u>1,332,588</u>
 Net decrease in cash and cash equivalents	(30,682)
 Cash and cash equivalents at beginning of year	<u>798,259</u>
 Cash and cash equivalents at end of year	<u>\$ 767,577</u>
 Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	<u>\$ 105,558</u>
 Noncash investing and financing activities:	
None.	

See accompanying notes to financial statements.



**MIRACLE HILL MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) **Nature of Organization**

Miracle Hill Ministries, Inc. ("the Ministries") is a non-profit organization incorporated under the laws of South Carolina and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Ministries seeks to help individuals and families in upstate South Carolina victimized by poverty, broken homes, or other problems through temporary and long-term physical and spiritual assistance.

**Operational Activities** - The following describes the operational activities of the Ministries:

*Greenville Rescue Mission/Overcomers* – A program for homeless men and families which provides emergency housing, meals and clothing, addiction treatment, gospel services, personal counseling, and GED training. Also provides a 6 month program for men in need of a more structured, longer-term approach to dealing with life-dominating problems.

*Emergency Relief* – A program which distributes food and the gospel to Greenville's hungry.

*Thrift Operations* – A program which provides sheltered employment to train and equip mission clients to return to the job market, and which operates thrift stores to support other programs of the Ministries.

*Children's Home* – A program which provides a home environment to care for children of dysfunctional homes while seeking to reunite these families. This includes long-term and emergency cottages as well as foster care.

*Boys Shelter* – A program which provides emergency shelter for boys, ages 11-18, who have been removed from their homes because of abuse, neglect or abandonment.

*Shepherd's Gate* – A program for homeless women and children which provides emergency housing, meals and clothing, personal counseling, a personal growth program, GED training, and gospel services.

*Renewal* - A 6 month program for women in need of a structured, long-term approach to dealing with addiction and other life-dominating problems.

*Transitional Housing* – A program for men, women and families which provides longer-term housing and personal counseling.

*Rescue Mission – Cherokee Co.* – A program for homeless men, women, and families in Cherokee County which provides emergency housing, meals and clothing, personal counseling, gospel services and GED training.

*Rescue Mission - Spartanburg* – A program for homeless men, women and families in Spartanburg County which provides emergency housing, meals and clothing, personal counseling, gospel services and GED training.

**MIRACLE HILL MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**b) Basis of Accounting**

The financial statements of the Ministries have been prepared utilizing the accrual method of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**c) Financial Statement Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Ministries is required to report information regarding its financial position and activities according to three classes of net assets:

**Unrestricted net assets** – Net assets that are not subject to donor-imposed stipulations.

**Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Ministries and/or the passage of time. If a restriction expires, temporarily restricted assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**Permanently restricted net assets** – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Ministries. Generally, the donors of these assets permit the Ministries to use all or part of the income earned on any related investments for general or specific purposes.

The Board has designated estates and certain other funds to be used solely as endowment; however, under the requirements of SFAS No. 117, *Financial Statements of Not-for-Profit Organizations* these amounts are included as unrestricted net assets, rather than temporarily or permanently restricted, even though it is the intention of the Board that they be used for no other purpose.

**d) Contributions and Revenue**

The Ministries records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose of restrictions.

Contributions are recognized when received. Contributions which are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions and are reclassified to unrestricted net assets and reported in the Statement of Activities as restricted contributions expended as the restrictions expire.

Noncash contributions are recorded as support at their estimated fair value at the date they are placed into service or are sold. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support.

**e) Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, cash balances in depository institutions, and money market balances.

**f) Receivables**

Accounts receivables are stated at the amount management expects to collect from outstanding balances. No allowance for uncollectible accounts receivable or pledges receivable has been provided; all receivables are considered to be collectible.

**MIRACLE HILL MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**g) Investments**

Investments are carried at fair market value. Investment income or loss (including gains and losses on investments, interest and dividends) is included separately in the Statement of Activities as increases or decreases in unrestricted net assets.

**h) Property Held for Sale**

From time to time, the Ministries receives gifts of property. In accordance with donor intent, the Ministries lists the property for sale.

**i) Property and Equipment**

Property and equipment are stated at cost if purchased or fair market value at the date of donation. Additions of assets valued over \$500 are capitalized and major items retired are removed from the accounts. Replacements, maintenance, and repairs, which do not improve or extend the life of the respective assets, are expensed currently. Straight-line depreciation is taken on the recorded value of the property and equipment at annual rates ranging from 2% to 20%. No depreciation is taken on land, land improvements, or construction in progress.

**j) Split-interest Agreement**

Donors establish charitable remainder trusts with a financial institution, naming the Ministries as the beneficiary. Under the terms of the split interest agreement, at the time of the donor's death, the trust assets are distributed to the Ministries. Based on donor life expectancy and the use of a 5% discount rate, the present value of future assets expected to be received by the Ministries is included in the Statement of Financial Position.

**k) Annuity Liability**

The Ministries have been made aware of the receipt of certain unconditional promises to provide future contributions in the form of deferred giving arrangements including charitable remainder annuity trusts, charitable remainder unitrusts and pooled income funds. The various deferred giving agreements stipulate the payment of stated annuity amounts as well as the requirements for the eventual use of the principal of the donated funds.

**l) Donated Services and Materials**

A number of individuals have donated a significant amount of time (75,115 hours for the year ended June 30, 2010) to the Ministries' programs; however, no amounts have been reflected for donated services. For the year ended June 30, 2010, various materials have been donated. The value of these materials is considered immaterial and no amounts have been recorded in the financial statements.

**m) Income Taxes**

The Ministries is exempt from Federal and state income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code. Effective as of the beginning of the fiscal year ending June 30, 2010, the Ministries adopted the provisions of FASB Interpretation (FIN) No. 48, "Accounting for Uncertainty in Income Taxes". FIN 48 addresses the accounting uncertainty in income taxes recognized in an organization's financial statements and prescribes a threshold of more-likely-than-not for recognition of tax positions taken or expected to be taken in a tax return. FIN 48 also provides related guidance on measurement classification, interest and penalties, and disclosure. As a result of the implementation of FIN 48, the Ministries has determined that it has no uncertain tax positions requiring accrual and disclosure.

**n) Use of Estimates**

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

**o) Functional Allocation of Expenses**

The costs of providing the various programs and 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.

**MIRACLE HILL MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**2) CASH AND CASH EQUIVALENTS**

The Ministries maintains cash balances at several financial institutions located in South Carolina. Accounts at each institution are protected by depository insurance up to \$250,000 by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation. At June 30, 2010, the Ministries' uninsured cash balances total \$286,156, none of which was collateralized. Based on the financial position of the institutions, management believes that the Ministries is not exposed to any significant credit risk on cash and cash equivalents.

Included in the Ministries' cash and cash equivalents balance is \$754,317 of temporarily restricted cash to be used for subsequent years' activities.

**3) RECEIVABLES**

Receivables consist of the following at June 30, 2010:

State grant funds	\$	123,627
Employee advances		7,673
Trade		5,243
	\$	<u>136,543</u>

**4) INVESTMENTS**

The cost and fair market value of investments at June 30, 2010 are as follows:

	<u>Cost</u>	<u>Unrealized Gain</u>	<u>Fair Value</u>
Equities	\$ 3,008,920	\$ 11,313	\$ 3,020,233
Mutual funds	847,978	40,328	888,306
Bonds	781,448	36,289	817,737
Total investments	<u>4,638,346</u>	<u>87,930</u>	<u>4,726,276</u>
Cash and cash equivalents			
included in endowment funds	245,753	-	245,753
Total endowment funds	<u>\$ 4,884,099</u>	<u>\$ 87,930</u>	<u>\$ 4,972,029</u>

Investments with a fair value of \$988,149 as of June 30, 2010, are temporarily restricted to be used for subsequent years' activities. Investments with a fair value of \$3,738,127 as of June 30, 2010, are permanently restricted.

**MIRACLE HILL MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**5) PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2010 are summarized as follows:

Furniture and fixtures	\$ 1,032,598
Equipment	986,719
Vehicles	839,578
Land	1,666,917
Buildings	13,092,027
Construction in progress	<u>3,244,593</u>
	20,862,432
Less accumulated depreciation	<u>(7,137,373)</u>
	<u>\$ 13,725,059</u>

Depreciation expense for the year ended June 30, 2010 was \$850,581.

**6) NOTES PAYABLE**

Notes and mortgages payable as of June 30, 2010 consist of the following:

Note payable to banking institution, secured by land, due in monthly payments of principal of \$7,814 and interest at 7.1% through December 2012, balloon payment of balance due December 2012.	\$ 602,386
Note payable to banking institution, secured by land, with principal and interest at 5.85% payable monthly through April 2013, balloon payment of balance due April 2013	68,739
Line of credit payable to banking institution, secured by real property, with interest payable monthly at the rate of LIBOR + 2.25%, balance due December 2010, total line availability of \$1,500,000	569,000
Note payable to banking institution, secured by real property, with interest payable monthly at the rate of LIBOR + 2.35%, balance due December 2011	826,154
Note payable to banking institution, secured by real property, due in monthly payments of principal of \$2,667 and interest at LIBOR + 2.50% through March 2015, balloon payment of balance due March 2015	<u>314,667</u>
Total notes and mortgages payable	<u>\$ 2,380,946</u>

Aggregate maturities of long-term debt are summarized as follows for the years ended June 30:

2011	\$ 630,771
2012	889,603
2013	65,223
2014	67,098
2015	223,744
Thereafter	<u>504,507</u>
	<u>\$ 2,380,946</u>

Interest expense totaled \$105,558 for the year ended June 30, 2010.

**MIRACLE HILL MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**6) NOTES PAYABLE, Continued**

Subsequent to June 30, 2010, the Ministries refinanced the notes payable to a banking institution secured by land with the same banking institution. The new note is payable in monthly payments of principal and interest of \$5,509 for sixty months, with a balloon payment of the balance due July 2015. The aggregate maturities of notes payable are shown on the preceding page giving recognition to the refinancing accomplished subsequent to year-end.

**7) NET ASSET DESIGNATIONS AND RESTRICTIONS**

Temporarily restricted net assets total \$1,289,352 as of June 30, 2010. Of these net assets, \$425,175 is restricted for endowment, \$353,204 is restricted for annuities, and \$510,973 is restricted for capital projects.

Releases from restrictions of \$1,466,114 for the year ended June 30, 2010, represent funds used for debt reduction and capital projects from prior years' contributions.

Permanently restricted net assets of \$3,738,127 as of June 30, 2010, consist of endowment fund assets that must be held indefinitely. The income earned from these assets may be used for current year operations.

**8) RETIREMENT PLAN**

The Ministries sponsors a defined contribution retirement savings plan in compliance with Section 401(k) of the Internal Revenue Code. The Plan covers all employees who work at least twenty hours per week and have been employed for at least one year. Participants may make contributions to the Plan, subject to IRS limitations. The Ministries may make a matching contribution, at its discretion. For the year ended June 30, 2010, the retirement plan expense for the Ministries totaled \$64,566.

**9) FAIR VALUES OF FINANCIAL INSTRUMENTS**

The Ministries has adopted Statement of Financial Accounting Standards No. 157 Fair Value Measurements. SFAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. SFAS 157 has been applied prospectively as of the beginning of the fiscal year ending June 30, 2009.

SFAS 157 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. SFAS 157 also 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. The standard describes three levels of inputs that may be used to measure fair value. Level 1 inputs represent fair values obtained used quoted prices in active markets. Level 2 inputs represent fair values obtained from observable market data but not from quoted market prices. Level 3 inputs represent unobservable inputs that are supported by little or no market activity and are generally based on the entity's own assumptions.

The following methods and assumptions are used to estimate the fair value of each financial instrument:

Cash and cash equivalents, accounts payable, accrued expenses, prepaid expenses and cash surrender value of life insurance - the carrying values approximate fair value due to their short maturities.

**MIRACLE HILL MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**9) FAIR VALUES OF FINANCIAL INSTRUMENTS, Continued**

Receivables - the carrying values approximate fair value due to their short maturities.

Investments – the fair values are based on quoted market prices of the underlying investment securities. Investments are carried at fair value in the accompanying Statement of Financial Position.

Annuity liability – the fair values are determined by discounting the future cash flows of each instrument at rates currently offered by the Ministries for similar instruments of comparable maturities. The carrying amount of annuity liabilities approximates fair value.

Notes payable – the fair values are determined by discounting the future cash flows of each debt instrument at rates currently offered to the Ministries for similar debt instruments of comparable maturities. The carrying amount of notes payable approximates fair value.

**10) ENDOWMENT FUNDS**

The Ministries' endowment funds consist of the following at June 30, 2010:

Temporarily restricted by donors for endowment	\$ 430,141
Permanently restricted by donors for endowment	3,738,127
Annuity investments held in endowment	<u>803,761</u>
 Total endowment funds	 4,972,029
 Annuity liability	 <u>(693,901)</u>
Net endowment funds	<u><u>\$ 4,278,128</u></u>

**11) OTHER**

During the year ended June 30, 2008, the Ministries purchased certain land and buildings for use in its 6 month Overcomers Recovery program for men. This property is undergoing extensive renovations to prepare it for its intended use. As of June 30, 2010, the Ministries has expended approximately \$3,000,000 on this project, including the original acquisition cost, which is included as construction in progress in the Statement of Financial Position. This project is expected to be completed during the first subsequent fiscal year and will allow the Ministries to expand this program from 60 to 80 men and increase the number of emergency beds by 60.

**12) SUBSEQUENT EVENTS**

In preparing these financial statements, the Ministries has evaluated events and transactions for potential recognition or disclosure through August 30, the date the financial statements were available to be issued.