(SFAS 157) which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. The provisions of SFAS 157 related to financial assets and financial liabilities were effective during 2008. With respect to certain nonfinancial assets and nonfinancial liabilities, SFAS 157 is effective for fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. The School does not expect that the adoption of SFAS 157 with respect to nonfinancial assets and nonfinancial liabilities will have a material impact on its financial statements.

In June 2008, the FASB ratified EITF Issue No. 08-3, *Accounting for Lessees for Maintenance Deposits Under Lease Arrangements* (EITF 08-3). EITF 08-3 provides guidance for accounting for nonrefundable maintenance deposits. It also provides revenue recognition accounting guidance for the lessor. EITF 08-3 is effective for fiscal years beginning after December 15, 2008. The School has not yet determined the effect on its financial statements, if any, that will occur upon adoption of EITF 08-3.

In May 2009, the FASB issued Statement of Financial Accounting Standards No. 165, "*Subsequent Events*" (SFAS 165). Under SFAS 165, requires companies 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 in the case of non-public entities. SFAS 165 requires entities to recognize in the financial statements the effect of all events or transactions that provide additional evidence of conditions that existed at the balance sheet date, including the estimates inherent in the financial preparation process. Entities shall not recognize the impact of events or transactions that provide evidence about conditions that did not exist at the balance sheet date but arose after that date. SFAS 165, also requires entities to disclose the date through which subsequent events have been evaluated. SFAS 165 is effective for interim and annual reporting periods ending after June 15, 2009. The School adopted the provisions of SFAS 165 for the year ended June 30, 2009, as required, the adoption did not have a material impact on the School's financial statements. The School evaluated events subsequent to the balance sheet date through November 16, 2009, the date the financial statements were issued.

NOTE 2 – LEASE COMMITMENTS

Operating Leases – The School leases its facility under the terms of an operating lease agreement for the periods of April 2006 to March 2016. The lease payments are due on the 15th of each month. The lease payment for the first two years is $12,097 per month with that amount increasing by approximately 3% every two years. The lease agreement also states that the School will pay property and renter's sales tax.

The School entered into an operating lease agreement for a copier machine on July 30, 2008 lasting 60 months with the defaulting option to renew for another 12 months after the term, until canceled. The minimum monthly payments are $224.

Rent expense for the years ended June 30, 2009 and 2008 was $179,862 and $175,555, respectively.