

**INVESTIGATIVE NEWSOURCE
FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

INVESTIGATIVE NEWSOURCE

	<u>Pages</u>
I Index	1
II Independent auditor's report	2 – 3
III Statements of financial position	4
IV Statements of activities	5 - 6
V Statements of functional expenses	7 – 8
VI Statements of cash flows	9
VII Notes to the financial statements	10 - 17

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Investigative Newsource

We have audited the accompanying financial statements of Investigative Newsource dba *inewsource*, a nonprofit organization, and subsidiaries, which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Investigative Newsource dba *inewsource* as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Handwritten signature in cursive script that reads "Considine & Considine".

CONSIDINE & CONSIDINE
An accountancy corporation

October 1, 2018

**INVESTIGATIVE NEWSOURCE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017**

Page 4

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash	\$ 454,064	\$ 313,703
Pledges receivable - current (note 3)	315,200	185,269
Prepaid expenses	656	107
	769,920	499,079
PROPERTY AND EQUIPMENT (note 4)	9,576	5,388
OTHER ASSETS		
Other receivable	702	-
Pledges receivable - long term (note 3)	325,000	10,000
Endowment investments (note 6)	24,432	23,130
	350,134	33,130
TOTAL ASSETS	1,129,630	537,597
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	26,704	19,197
NET ASSETS (note 8)		
Unrestricted	1,015,994	490,137
Temporarily restricted	65,687	7,018
Permanently restricted net assets	21,245	21,245
	1,102,926	518,400
TOTAL LIABILITIES AND NET ASSETS	\$ 1,129,630	\$ 537,597

See accompanying notes

**INVESTIGATIVE NEWSOURCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Page 5

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
REVENUE				
Contributions	\$ 1,435,606	\$ 85,000	\$ -	\$ 1,520,606
In kind donations (note 9)	67,875	-	-	67,875
Program service revenue	44,018	-	-	44,018
Other income	4,897	-	-	4,897
Dividend and interest income	611	567	-	1,178
Gain on endowment investments, net	240	735	-	975
	<u>1,553,247</u>	<u>86,302</u>	<u>-</u>	<u>1,639,549</u>
Net assets released from restriction	<u>27,633</u>	<u>(27,633)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE	1,580,880	58,669	-	1,639,549
OPERATING EXPENSES				
Program services	815,672	-	-	815,672
Management and general	124,969	-	-	124,969
Development	114,382	-	-	114,382
	<u>1,055,023</u>	<u>-</u>	<u>-</u>	<u>1,055,023</u>
CHANGE IN NET ASSETS	525,857	58,669	-	584,526
NET ASSETS, BEGINNING	<u>490,137</u>	<u>7,018</u>	<u>21,245</u>	<u>518,400</u>
NET ASSETS, ENDING	<u><u>\$ 1,015,994</u></u>	<u><u>\$ 65,687</u></u>	<u><u>\$ 21,245</u></u>	<u><u>\$ 1,102,926</u></u>

See accompanying notes

**INVESTIGATIVE NEWSOURCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Page 6

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
REVENUE				
Contributions	\$ 619,000	\$ 35,520	\$ 500	\$ 655,020
In kind donations (note 9)	154,898	-	-	154,898
Program service revenue	44,972	-	-	44,972
Dividend and interest income	488	316	-	804
Loss on endowment investment, net	238	1,569	-	1,807
	<u>819,596</u>	<u>37,405</u>	<u>500</u>	<u>857,501</u>
Net assets released from restriction	<u>36,952</u>	<u>(36,952)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE	856,548	453	500	857,501
OPERATING EXPENSES				
Program services	765,170	-	-	765,170
Management and general	119,972	-	-	119,972
Development	116,118	-	-	116,118
	<u>1,001,260</u>	<u>-</u>	<u>-</u>	<u>1,001,260</u>
CHANGE IN NET ASSETS	(144,712)	453	500	(143,759)
NET ASSETS, BEGINNING	<u>634,849</u>	<u>6,565</u>	<u>20,745</u>	<u>662,159</u>
NET ASSETS, ENDING	<u><u>\$ 490,137</u></u>	<u><u>\$ 7,018</u></u>	<u><u>\$ 21,245</u></u>	<u><u>\$ 518,400</u></u>

See accompanying notes

**INVESTIGATIVE NEWSOURCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018**

Page 7

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>DEVELOPMENT</u>	<u>TOTAL</u>
EXPENSES				
Bank fees	\$ 224	\$ 3,511	\$ -	\$ 3,735
Conferences and meetings	19,249	8,250	-	27,499
Depreciation	1,356	174	209	1,738
Information technology	36,975	13,733	2,113	52,821
Insurance	23,706	2,061	-	25,767
Mileage reimbursement	903	32	140	1,075
Office	1,132	8,605	1,585	11,323
Personnel	608,425	60,091	82,626	751,142
Professional services	72,473	24,547	19,872	116,892
Promotional	19,669	468	3,278	23,416
Rent	30,020	3,420	4,560	38,000
Story entry fees	1,540	-	-	1,540
Tax and license	-	75	-	75
	<u>-</u>	<u>75</u>	<u>-</u>	<u>75</u>
TOTAL EXPENSES	<u>\$ 815,672</u>	<u>\$ 124,969</u>	<u>\$ 114,382</u>	<u>\$ 1,055,023</u>

See accompanying notes

**INVESTIGATIVE NEWSOURCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017**

Page 8

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>DEVELOPMENT</u>	<u>TOTAL</u>
EXPENSES				
Bank fees	\$ 149	\$ 2,475	\$ -	\$ 2,624
Conferences and meetings	10,642	4,652	-	15,294
Depreciation	2,809	360	423	3,592
Information technology	10,825	4,097	588	15,510
Insurance	19,218	1,618	-	20,836
Mileage reimbursement	4,752	320	607	5,679
Office	704	5,007	907	6,618
Personnel	544,776	53,362	73,062	671,200
Professional services	128,725	44,314	33,973	207,012
Promotional	11,600	272	1,998	13,870
Rent	30,020	3,420	4,560	38,000
Story entry fees	950	-	-	950
Tax and license	-	75	-	75
	<u>-</u>	<u>75</u>	<u>-</u>	<u>75</u>
TOTAL EXPENSES	<u>\$ 765,170</u>	<u>\$ 119,972</u>	<u>\$ 116,118</u>	<u>\$ 1,001,260</u>

See accompanying notes

**INVESTIGATIVE NEWSOURCE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

Page 9

	2018	2017
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Change in net assets	\$ 584,526	\$ (143,759)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	1,738	3,592
Net endowment investments activity	(1,302)	(2,623)
Change in operating assets and liabilities:		
Pledges Receivable	(444,931)	267,342
Prepaid expenses	(549)	3,365
Other assets	(702)	2,000
Accounts payable	2,407	(3,785)
Accrued expenses	5,100	(37,500)
	(438,239)	232,391
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	146,287	88,632
CASH FLOWS USED FOR INVESTING ACTIVITIES		
Purchase of property and equipment	(5,926)	(2,606)
CASH USED FOR INVESTING ACTIVITIES	(5,926)	(2,606)
NET INCREASE IN CASH	140,361	86,026
CASH, BEGINNING OF YEAR	313,703	227,677
CASH, END OF YEAR	\$ 454,064	\$ 313,703

See accompanying notes

INVESTIGATIVE NEWSOURCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

Page 10

NOTE 1 THE ORGANIZATION

*inewsourc*e is the only news organization in the San Diego region whose focus is satisfying a need for investigative and data-based journalism. It was founded in 2009 as an independent nonprofit dedicated to shining a light on government actions, accounting for public spending and prompting intelligent discussions that lead to informed decisions.

The unique strength of *inewsourc*e lies in the intersection of journalism and technology. This means *inewsourc*e distinguishes itself by data-driven reports and a Data Center, which opens the workings of government to people in new, interactive ways.

*inewsourc*e concentrates on reporting issues that affect the everyday lives of San Diegans. Although all stories have strong roots in San Diego, some projects have statewide and national relevance. Content is produced for television, radio, the web to reach board audiences on their terms.

Teaching, training and mentoring is a dual priority. This underscores our commitment to the next generation of journalists, and to the community, where we educate about the tenets of trustworthy journalism and act as a model for it.

*inewsourc*e, formerly the Watchdog Institute, was founded in response to downsizing in newsrooms across the country and to an increasing void in thorough, labor-intensive journalism. The IRS granted 501(c)(3) status in September 2010. It is located on the campus of San Diego State University, but is operated as a wholly separate nonprofit.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The financial statements have been prepared using the accrual method in conformity with generally accepted accounting principles (GAAP) in the United States.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from these estimates.

Basis of presentation - The Organization 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.

Unrestricted net assets - Unrestricted amounts are those which are not subject to donor-imposed stipulations and are currently available for use in the Organization's operations under the direction of the board.

INVESTIGATIVE NEWSOURCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

Page 11

Temporarily restricted net assets - Temporarily restricted net assets consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds. Temporarily restricted net assets were \$65,687 and \$7,018 as of June 30, 2018 and 2017, respectively.

Permanently restricted net assets - Permanently restricted amounts are those which are restricted by donors that neither expire by the passage of time nor can be fulfilled or removed by actions of the Organization. Permanently restricted net assets were \$21,245, as of June 30, 2018 and 2017.

Cash - The Organization considers financial instruments with a fixed maturity date of less than three months to be cash equivalents. The Organization maintains its bank accounts with a credit union located in California. The Organization does not believe it is exposed to any significant credit risk on cash. The uninsured balances at June 30, 2018 and 2017 were approximately \$139,852 and \$50,624, respectively.

Property and equipment - Property and equipment are carried at cost. It is the policy of management to capitalize property and equipment in excess of \$1,000. Donations of property and equipment are recorded as contributions, unless the donor has restricted the donated asset to specific purpose. Depreciation is computed using the straight-line method of depreciation over the assets' estimated useful lives of three to five years. Maintenance and repairs are charged to the expense as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in income.

Fair value measurement - The Organization follows accounting standards consistent with the Financial Accounting Standards Board (FASB) codification which defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements for all financial assets and liabilities.

Pledges receivable - The pledges receivable consist of donor promises to give and reimbursement grants. It is the Organization's policy to charge off uncollectible pledges receivable when management determines the pledge will not be collected. All pledges receivable were considered collectible as of June 30, 2018 and 2017.

Contributions - Contributions received are considered to be unrestricted and available for general use unless designated by the donor for a specific purpose. All donor-restricted support is reported as an increase in temporarily restricted net assets. 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 from restrictions.

Donated services and facilities - The Organization follows standards relating to contributions received and contributions made as consistent with FASB codification. These standards require recording the value of donated services and facilities that create or enhance non-financial assets or require specialized skills. The fair value of donated services and facilities has been measured on a nonrecurring basis using quoted prices for similar financial statement elements in inactive markets (Level 2 inputs).

**INVESTIGATIVE NEWSOURCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

Functional expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and supporting services benefited based on management's estimates.

Income taxes - As a nonprofit organization, the Organization has obtained exempt status. Under Internal Revenue Section 501(c)(3) and Section 23701(d) of the California Franchise Tax Code, the Organization is not subject to income taxes for operations related to its exempt purpose.

The Organization follows accounting standards which provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax position and believes that all of the positions taken in its exempt organization tax returns are more likely than not to be sustained upon examination. As of June 30, 2018 the Organization has no accrued interest or penalties related to uncertain tax positions. The Organization files tax returns in the U.S. Federal jurisdiction and the State of California.

NOTE 3 PLEDGES RECEIVABLE

Pledges receivable consists of unconditional promises to give totaling \$640,200 and \$195,269 on June 30, 2018 and 2017, respectively.

Amounts due:	<u>2018</u>	<u>2017</u>
Within one year	\$ 315,200	\$ 185,269
Thereafter	<u>325,000</u>	<u>10,000</u>
	<u>\$ 640,200</u>	<u>\$ 195,269</u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2018</u>	<u>2017</u>
Cameras and equipment	24,221	18,295
Accumulated depreciation	<u>(14,645)</u>	<u>(12,907)</u>
	<u>\$ 9,576</u>	<u>\$ 5,388</u>

Depreciation expense was \$1,738 and \$3,592 for the years ended June 30, 2018 and 2017, respectively.

**INVESTIGATIVE NEWSOURCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 5 FAIR VALUE MEASUREMENT

The Foundation follows the method of fair value to value its financial assets and liabilities. Fair value is based on 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 order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels has been established, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Financial assets carried at fair value and measured on a recurring basis at June 30, 2018 are classified below in one of the three levels described above:

	Level 1	Level 2	Level 3	Total
Assets				
Pooled investments	\$ 24,432	\$ -	\$ -	\$ 24,432

Financial assets carried at fair value and measured on a recurring basis at June 30, 2017 are classified below in one of the three levels described above:

	Level 1	Level 2	Level 3	Total
Assets				
Pooled investments	\$ 23,130	\$ -	\$ -	\$ 23,130

Level 1 - The endowment investments are held and managed by The Rancho Santa Fe Foundation. The funds are held in The Rancho Santa Fe Foundation's endowment and long-term pool of investments. The values are based on the fair market value of the underlying securities.

**INVESTIGATIVE NEWSOURCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 6 ENDOWMENT INVESTMENTS

The Organization's permanently restricted endowment fund investments are held and managed by The Rancho Santa Fe Foundation. Investments are stated at fair value, measured at quoted market price, and consist of the long-term pool of investments with The Rancho Santa Fe Foundation. Cost basis information is not provided by The Rancho Santa Fe Foundation.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2018 Beginning balance	\$ -	\$ 1,885	\$ 21,245	\$ 23,130
Earnings on investments	-	567	-	567
Investment fees	-	(240)	-	(240)
Realized and unrealized gain, net	-	975	-	975
2018 Ending balance	<u>\$ -</u>	<u>\$ 3,187</u>	<u>\$ 21,245</u>	<u>\$ 24,432</u>
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2017 Beginning balance	\$ (238)	\$ -	\$ 20,745	\$ 20,507
Contributions	-	-	500	500
Earnings on investments	-	532	-	532
Investment fees	-	(216)	-	(216)
Realized and unrealized gain, net	238	1,569	-	1,807
2017 Ending balance	<u>\$ -</u>	<u>\$ 1,885</u>	<u>\$ 21,245</u>	<u>\$ 23,130</u>

NOTE 7 ENDOWMENT FUND

Effective January 1, 2009, California enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the provisions of which apply to endowment funds existing on or established after that date. Based on its interpretation of the provisions of UPMIFA, the Organization is required to act prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor restricted endowment funds. The Organization classifies as permanently restricted net assets the original value of its initial investment to be held in perpetuity. The remaining portion of the endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

**INVESTIGATIVE NEWSOURCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

Amounts are to be given by the Organization to the Rancho Santa Fe Foundation (the "Foundation") for the establishment of an endowment fund to support the mission of the Organization (See note 1). The nature of the promises to give require the amounts to be classified as permanently restricted net assets. These funds are to help support the general purpose of the Organization in perpetuity. Rancho Santa Fe Foundation makes all investment decisions related to the endowment fund.

The Policy Manual of the Foundation states their primary goals as preservation of capital with appropriate liquidity, sufficient growth of capital to offset the effects of inflation and provide for future needs, and enhancement of the realization of the philanthropic goals of the Foundation and its constituent organizations.

The portion of the Endowment Fund that is classified as permanently restricted is not reduced by losses on the investments of the fund. Losses on the investments of permanently restricted funds reduce the temporarily restricted net assets to the extent that donor-imposed temporary restrictions on net appreciation of the fund have not been met before the loss occurs. Any remaining losses reduce unrestricted net assets.

Composition of and changes in endowment net assets for the year ended June 30, 2018 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2018 Beginning balance	\$ -	\$ 1,885	\$ 21,245	\$ 23,130
Earnings on investments	-	567	-	567
Investment fees	-	(240)	-	(240)
Realized and unrealized gain	-	975	-	975
2018 Ending balance	<u>\$ -</u>	<u>\$ 3,187</u>	<u>\$ 21,245</u>	<u>\$ 24,432</u>

Composition of and changes in endowment net assets for the year ended June 30, 2017 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2017 Beginning balance	\$ (238)	\$ -	\$ 20,745	\$ 20,507
Contributions	-	-	500	500
Earnings on investments	-	532	-	532
Investment fees	-	(216)	-	(216)
Realized and unrealized gain	238	1,569	-	1,807
2017 Ending balance	<u>\$ -</u>	<u>\$ 1,885</u>	<u>\$ 21,245</u>	<u>\$ 23,130</u>

**INVESTIGATIVE NEWSOURCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

From time to time, the fair value of assets associated with permanently restricted funds may fall below the level that the donor requires the Foundation to retain permanently. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. These deficiencies result from unfavorable market fluctuations that have occurred after the investment of permanently restricted funds. Deficiencies of this nature that are reported in unrestricted net assets were \$0 and \$238 as of June 30, 2018 and 2017, respectively.

NOTE 8 NET ASSETS

Net assets consisted of the following at June 30:

	2018	2017
Unrestricted	\$ 1,015,994	\$ 490,137
Temporarily restricted		
Social media initiative	40,000	-
Market research	22,500	-
Endowment	3,187	1,885
Internship program	-	5,133
	65,687	7,018
Permanently restricted	21,245	21,245
	\$ 1,102,926	\$ 518,400

INVESTIGATIVE NEWSOURCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

Page 17

NOTE 9 IN KIND DONATIONS

The Organization received the following gifts in-kind and donated services for the years ending June 30 as follows:

	<u>2018</u>	<u>2017</u>
Office space	\$ 38,000	\$ 38,000
Accounting and finance	24,000	20,000
Salon and events	5,155	-
Freelance reporting	720	1,230
Legal services	-	58,733
Outside services	-	27,560
Information technology services	-	9,375
	<u>\$ 67,875</u>	<u>\$ 154,898</u>

NOTE 10 SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 1, 2018, the date which the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the financial statements.