

**PALM BEACH COUNTY
FOOD BANK, INC.**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2017
(with comparable totals for 2016)**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Palm Beach County Food Bank, Inc.
Lantana, Florida

We have audited the accompanying financial statements of Palm Beach County Food Bank, Inc. (a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, cash flows and functional expenses for the year 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 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 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 Palm Beach County Food Bank, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the June 30, 2016 financial statements, and our report dated November 8, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
January 24, 2018

PALM BEACH COUNTY FOOD BANK, INC.

STATEMENT OF FINANCIAL POSITION

*As of June 30, 2017**(with comparable totals for 2016)*

ASSETS	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Totals</u>	<u>2016 Totals</u>
Current assets:				
Cash and cash equivalents	\$ 588,037	\$ 523,334	\$ 1,111,371	\$ 1,315,300
Grants and contributions receivable	6,730	-	6,730	15,907
Food inventory	887,129	-	887,129	844,610
Prepaid expenses	6,923	-	6,923	3,562
Total current assets	<u>1,488,819</u>	<u>523,334</u>	<u>2,012,153</u>	<u>2,179,379</u>
Other assets	27,450	-	27,450	36,369
Property and equipment, net	439,853	-	439,853	391,670
Total assets	<u>\$ 1,956,122</u>	<u>\$ 523,334</u>	<u>\$ 2,479,456</u>	<u>\$ 2,607,418</u>
 LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 17,099	\$ -	\$ 17,099	\$ 21,498
Accrued expenses	49,817	-	49,817	41,727
Refundable advances	-	-	-	50,000
Current portion of obligation under capital lease	13,265	-	13,265	-
Total current liabilities	<u>80,181</u>	<u>-</u>	<u>80,181</u>	<u>113,225</u>
Non-current liabilities:				
Obligation under capital lease	96,096	-	96,096	-
Total liabilities	<u>176,277</u>	<u>-</u>	<u>176,277</u>	<u>113,225</u>
Net assets:				
Unrestricted	1,779,845	-	1,779,845	2,075,650
Temporarily restricted	-	523,334	523,334	418,543
Total net assets	<u>1,779,845</u>	<u>523,334</u>	<u>2,303,179</u>	<u>2,494,193</u>
Total liabilities and net assets	<u>\$ 1,956,122</u>	<u>\$ 523,334</u>	<u>\$ 2,479,456</u>	<u>\$ 2,607,418</u>

See accompanying notes to financial statements.

PALM BEACH COUNTY FOOD BANK, INC.

STATEMENT OF ACTIVITIES

*For the Year Ended June 30, 2017**(with comparable totals for 2016)*

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Totals</u>	<u>2016 Totals</u>
Support and revenues:				
Governmental support	\$ 480,295	\$ 75,000	\$ 555,295	\$ 515,498
Foundation support	533,091	415,453	948,544	1,122,721
United Way allocation	200,453	25,003	225,456	263,313
Other contributions	518,609	72,495	591,104	523,063
Donated goods	7,691,404	-	7,691,404	8,018,212
Investment income	621	-	621	619
Other income	1,627	-	1,627	2,164
	<u>9,426,100</u>	<u>587,951</u>	<u>10,014,051</u>	<u>10,445,590</u>
Net assets released from restrictions	<u>483,160</u>	<u>(483,160)</u>	<u>-</u>	<u>-</u>
	<u>9,909,260</u>	<u>104,791</u>	<u>10,014,051</u>	<u>10,445,590</u>
Expenses:				
Program services	9,930,357	-	9,930,357	9,735,721
Supporting services:				
Management and general	74,528	-	74,528	70,277
Fundraising	200,180	-	200,180	161,179
	<u>10,205,065</u>	<u>-</u>	<u>10,205,065</u>	<u>9,967,177</u>
Loss on sale of asset	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>
Change in net assets	(295,805)	104,791	(191,014)	478,113
Net assets, beginning of year	<u>2,075,650</u>	<u>418,543</u>	<u>2,494,193</u>	<u>2,016,080</u>
Net assets, end of year	<u>\$ 1,779,845</u>	<u>\$ 523,334</u>	<u>\$ 2,303,179</u>	<u>\$ 2,494,193</u>

See accompanying notes to financial statements.

PALM BEACH COUNTY FOOD BANK, INC.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2017

(with comparable totals for 2016)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Cash received from:		
Governmental support	\$ 555,295	\$ 515,498
Private gifts and grants	1,724,281	1,925,940
Cash paid to vendors and employees	(2,386,439)	(2,086,726)
Other income	2,248	2,784
Interest expense paid	<u>(3,615)</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>(108,230)</u>	<u>357,496</u>
Cash flows from investing activities:		
Purchase of property and equipment	(90,465)	(43,986)
Proceeds from sale of asset	<u>-</u>	<u>500</u>
Net cash used in investing activities	<u>(90,465)</u>	<u>(43,486)</u>
Cash flows from financing activities:		
Principal payments on obligation under capital lease	<u>(5,234)</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>(5,234)</u>	<u>-</u>
Net change in cash	(203,929)	314,010
Cash and cash equivalents, beginning of year	<u>1,315,300</u>	<u>1,001,290</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,111,371</u></u>	<u><u>\$ 1,315,300</u></u>

See accompanying notes to financial statements.

PALM BEACH COUNTY FOOD BANK, INC.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2017

(with comparable totals for 2016)

	<u>2017</u>	<u>2016</u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ (191,014)	\$ 478,113
Adjustments to reconcile change in net cash to net cash provided by (used in) operating activities:		
Depreciation	156,877	130,180
Loss on sale of asset	-	300
(Increase) decrease in certain assets:		
Grants and contributions receivable	9,177	20,410
Food inventory	(42,519)	(286,126)
Prepaid expenses	(3,361)	420
Other assets	8,919	(3,567)
Increase in certain liabilities:		
Accounts payable	(4,399)	15,554
Accrued expenses	8,090	2,212
Refundable advances	(50,000)	-
Net cash provided by (used in) operating activities	<u>\$ (108,230)</u>	<u>\$ 357,496</u>

Supplemental information of noncash investing and financing activities:

During 2017, the Food Bank incurred debt of \$114,595 in the form of a capital lease used to acquire a new motor vehicle.

See accompanying notes to financial statements.

PALM BEACH COUNTY FOOD BANK, INC.

STATEMENT OF FUNCTIONAL EXPENSES

*For the Year Ended June 30, 2017**(with comparable totals for 2016)*

	Program Services	Supporting Activities		2017 Totals	2016 Totals
		Management and General	Fundraising		
Salaries	\$ 1,021,859	\$ 38,824	\$ 75,862	\$ 1,136,545	\$ 982,370
Payroll taxes	76,870	3,066	3,187	83,123	71,303
Employee benefits	123,657	4,932	5,127	133,716	108,838
Total salaries and related benefits	1,222,386	46,822	84,176	1,353,384	1,162,511
Board expenses	-	-	-	-	477
Conference, meals and travel	38,129	1,519	1,581	41,229	23,404
Contract services	10,899	-	1,950	12,849	19,344
Depreciation expense	155,734	95	1,048	156,877	130,180
Dues and subscriptions	790	4,725	2,612	8,127	5,033
Insurance	44,559	309	373	45,241	40,472
Interest expense	3,615	-	-	3,615	-
Marketing and public relations	632	-	86,500	87,132	74,468
Occupancy expenses	243,195	2,094	2,522	247,811	216,389
Office expenses	32,615	2,580	8,645	43,840	42,504
Other expenses	3,589	-	-	3,589	1,561
Professional fees and contracts	9,778	15,625	-	25,403	32,780
Purchased food distributed	334,422	-	9,984	344,406	334,100
Technology expenses	13,139	-	-	13,139	11,620
Telephone, fax, and internet	19,030	759	789	20,578	17,580
Truck, freight and fuel costs	75,495	-	-	75,495	69,423
Warehouse operating expenses	39,472	-	-	39,472	42,042
Total expenses before donated goods	2,247,479	74,528	200,180	2,522,187	2,223,888
Donated goods distributed	7,682,878	-	-	7,682,878	7,743,289
Total functional expenses	\$ 9,930,357	\$ 74,528	\$ 200,180	\$ 10,205,065	\$ 9,967,177

See accompanying notes to financial statements.

For the Year Ended June 30, 2017

1. **Business and Summary of Significant Accounting Policies**

Organization

The Palm Beach County Food Bank, Inc. (the "Food Bank") was established in 2012. The Food Bank is committed to fighting hunger and improving food security in Palm Beach County by working in partnership with local organizations. The Food Bank collects, recovers and distributes food to food pantries, soup kitchens and homeless shelters in Palm Beach County at no cost. During the year ended June 30, 2017, it served 170 organizations through 4 programs. It distributed almost 5 million pounds of food to more than 100 agencies on the front-line of hunger relief from Tequesta to Boca Raton and from Belle Glade and Pahokee to the Coast. In addition, the Food Bank operates Food4OurKids which distributed almost 15,000 meals at 32 partner sites during the summer with weekly backpacks of food, helped more than 6,200 individuals receive 3.5 million of federal food benefit assistance, and graduated almost 900 from Nutrition Driven, a nutrition education program in partnership with the Palm Beach County Extension/University of Florida Institute for Food and Agriculture Sciences.

Financial Statement Presentation

The Food Bank has adopted FASB Accounting Standard Codification (FASB ASC) 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. Under the standard, Food Bank is required to report information regarding its activities according to three classifications of net assets: unrestricted, temporarily restricted, and permanently restricted.

The following paragraphs describe the three classes of net assets:

Unrestricted Net Assets: this classification includes those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transaction (except income and gains on assets that are restricted by donors or by law) are included in the unrestricted class.

Temporarily Restricted Net Assets: this classification includes those net assets whose use by the Food Bank has been limited by donors to either later periods of time, or after specified dates, or for a specified purpose.

Permanently Restricted Net Assets: this classification includes those net assets that must be maintained by the Food Bank in perpetuity. Permanently restricted net assets increase when the Food Bank receives contributions for which donor-imposed restrictions limiting the Food Bank use of an asset or its economic benefits neither expire with the passage of time nor can be removed by the Food Bank meeting certain requirements. The Food Bank had no permanently restricted net assets as of June 30, 2017.

Basis of Accounting

The accompanying financial statements of the Food Bank have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

For the Year Ended June 30, 2017

1. **Business and Summary of Significant Accounting Policies, continued**

Estimates

Management uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Fair Value of Financial Instruments

The Food Bank follows FASB ASC 820-10, *Fair Value Measurements and Disclosures*, which provides a common definition of fair value, establishes a framework to measure fair value within accounting principles generally accepted in the United States of America, and expands the disclosures about fair value measurements. The standard does not create any new fair value measurements. Instead, it applies under existing accounting pronouncements that require or permit fair value measurements.

For assets and liabilities measured at fair value on a recurring basis, entities should disclose information that allows financial statement users to assess (1) the inputs used to develop such measurements, such as Level 1 (i.e., quoted price in an active market for an identical asset or liability), Level 2 (i.e., quoted price for similar assets or liabilities in active markets), or Level 3 (i.e., unobservable inputs); and (2) the effect on changes in net assets of recurring measurements that use significant unobservable (Level 3) inputs. The Food Bank's did not have financial instruments measured at fair value on a recurring basis.

The following methods and assumptions were used by the Food Bank in estimating fair value of financial instruments that are not disclosed under ASC 820-10.

Cash and Cash Equivalents: The carrying amount reported approximates fair value.

Grants and Contributions Receivable: The carrying amount approximates fair value due to the short term of the receivables.

Accounts Payable and Accrued Expenses: The carrying amount reported approximates fair value due to the short term duration of the instruments.

Capital Lease: The carrying amount reported approximates fair value as the stated interest rates approximate market rates.

Cash and Cash Equivalents

For purposes of statement of cash flows, the Food Bank considers its cash and cash equivalents to include only cash on hand, cash in checking accounts, and certain savings accounts. Cash accounts at financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time balances of these cash accounts exceed federally insured limits. The Food Bank has not experienced any loss on such accounts and management believes the Food Bank is not exposed to any significant credit risk arising from such balances. As of June 30, 2017, there was approximately \$620,900 in excess of the FDIC limit.

For the Year Ended June 30, 2017

1. **Business and Summary of Significant Accounting Policies, continued**

Grants and Contributions Receivable

Grants receivable are recorded when services have been rendered and the granting authority has been billed. If events or changes in circumstances indicate that specific receivable balances may be disallowed by the granting authority, the receivable balances are written-off as an operating expense.

Unconditional promises to give are recognized as support in the period received. If outstanding contributions are expected to be collected in less than one year, they are recorded at the estimated amount to be ultimately realized. If outstanding contributions are to be paid to the Food Bank over a period of years, they are recorded at the present value of their estimated cash flows using an appropriate discount rate. There were no contributions receivable due beyond one year as of June 30, 2017.

Food Inventory

Food inventory consists of food and other grocery products that are valued at lower of cost or market or, if donated, at an estimated fair value. The estimated fair value used during the year was \$1.67 per pound, which is the average wholesale value as determined by a national network of food banks. As of June 30, 2017, food inventory consisted of approximately \$127,000 of purchased food and \$760,000 of donated foods (455,000 pounds).

Property and Equipment

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of the donation. Donations of property and equipment are recorded as support unless the donor has restricted the donated asset to a specific purpose. Absent donor stipulations regarding how long those donated assets must be maintained, the Food Bank reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Property and equipment are depreciated using the straight-line method over the estimated useful life of the assets, ranging from 3 to 10 years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets.

Refundable Advances

The Food Bank has reimbursement arrangements with various grantors whereby the Food Bank receives funds ahead of the expenditures. In accordance with the terms of these arrangements, any funds that are not spent within the contract period must be refunded to the grantors.

Contributions

Contributions are generally available for unrestricted use in the year received unless specifically restricted by the donor. Unrestricted contributions of cash and donated assets, as well as unconditional promises to give, are recorded as received.

For the Year Ended June 30, 2017

1. Business and Summary of Significant Accounting Policies, continued*Contributions, continued*

Foundation support, unconditional promises to give, and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when either the stipulated time restriction ends or the purpose restriction is accomplished, temporarily restricted net assets are reclassified and reported in the Statements of Activities as net assets released from restrictions. However, if the restriction is met in the same period as the restricted income is received, the Food Bank classifies such income as unrestricted support.

Donated Goods and Services

The Food Bank reports the fair value of contributed food inventory over which it has control (i.e., variance power) as unrestricted public support and, shortly thereafter, as expense when granted to member food banks. During the year ended June 30, 2017, Food Bank distributed approximately 4,605,600 pounds of donated food received from approximately 337 donors and their subsidiaries.

In addition, many volunteers provide services throughout the year that are not recognized as contributions in the financial statements, because the recognition criteria under FASB ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*, were not met. It is impracticable to determine the fair market value of all donated services by the volunteers of the Food Bank beyond those required to be recognized as income. However, a substantial number of volunteers donate significant amounts of their time in the Food Bank's program services and fundraising campaigns.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Costs that are not directly associated with providing specific services are allocated based upon the relative time spent by employees of the Food Bank providing those services.

Advertising

Advertising costs are expensed when incurred and are included within marketing and public relations in the Statement of Functional Expenses. Food Bank did not incur any advertising costs during the year ended June 30, 2017.

Income Taxes

The Food Bank is a not-for-profit corporation that is exempt from income taxes under the Internal Revenue Code Section 501(c)(3) and comparable state law as a charitable organization, whereby only unrelated business income, as defined by the Code Section 509(a)(1) is subject to federal income tax. The Food Bank currently has no unrelated business income and, accordingly, no provision for income taxes has been recorded.

For the Year Ended June 30, 2017

1. Business and Summary of Significant Accounting Policies, continued*Income Taxes, continued*

The Food Bank follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This pronouncement seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a more likely than not threshold. The Food Bank assesses its income tax positions based on management's evaluation of the facts, circumstances and information available at the reporting date. The Food Bank uses the prescribed more likely than not threshold when making its assessment. There are currently no open federal or state income tax years under audit.

Recent Accounting Pronouncements

The Financial Accounting Standards Board recently issued several Accounting Standards Updates (ASUs) that affect the accounting and reporting of not-for-profit entities. The FASB issued ASU 2016-02, Leases (Topic 842), which does not take effect until the Food Bank's fiscal year ending June 30, 2021, and provides new guidance for leases, such that virtually all leases will be capitalized and create "right of use" assets along with associated liabilities. This standard will impact the interpretation of certain transactions of the Food Bank, and management is evaluating the effect that the updated standard will have on the financial statements. ASU 2016-14, Not-for-Profit Entities (Topic 958), imposes new requirements for the presentation and disclosure of not-for-profit financial statements, including a reduction in the number of net asset categories from 3 classes to 2 classes, a requirement to present a statement of functional expenses, a requirement to disclose the quantitative and qualitative aspects of its liquidity, in addition to other provisions. This ASU will be effective for the Food Bank's fiscal year ending June 30, 2019, with early implementation permitted. As with the new guidance on leasing, management is evaluating the effect that this updated standard will have on the consolidated financial statements.

Prior Year Summarized Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Food Bank's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

2. Other Assets

Other current assets as of June 30, 2017 consisted of utilities, rent, lease and other deposits.

For the Year Ended June 30, 2017

3. Property and Equipment

Property and equipment as of June 30, 2017 consisted of the following:

Furniture and equipment	\$ 60,745
Leasehold improvements	138,362
Motor vehicles	505,807
Motor vehicle under capital lease	114,595
Warehouse equipment	<u>137,863</u>
	957,372
Less accumulated depreciation	<u>517,519</u>
Total property and equipment	<u>\$ 439,853</u>

4. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses as of June 30, 2017, consist of vendor payments due for general expenses and accrued salaries and vacation time.

5. Restricted Net Assets

Unexpended temporarily restricted net assets as of June 30, 2017 were restricted for the following purposes:

Capital purchases	\$ 78,385
Food purchase	89,924
Food4OurKids program	148,632
Nutrition Driven program	<u>206,393</u>
Total restricted net assets	<u>\$ 523,334</u>

6. Lease Obligations*Capital Lease*

The Food Bank leases certain motor vehicle under a capital lease that expires in November 2023. The asset and liability under the capital lease were recorded at the lower of the present value of minimum lease payments or the fair value of the asset. The asset is amortized over the shorter of the lease term or the estimated useful lives of the asset. Amortization of motor vehicle under capital lease is included in depreciation expense in the accompanying financial statements. Depreciation of assets under capital leases charged to expense during the year ended June 30, 2017 was \$11,460.

*For the Year Ended June 30, 2017***6. Lease Obligations, continued***Capital Lease, continued*

Minimum future lease payments under capital lease as of June 30, 2017 for each of the next five years and in the aggregate are:

Year Ended <u>June 30,</u>	
2018	\$ 21,235
2019	21,235
2020	21,235
2021	21,235
2022	21,235
Thereafter	<u>33,625</u>
Total minimum lease payments	139,800
Less amount representing interest	<u>30,439</u>
Present value of future minimum lease payments	109,361
Less current portion	<u>13,265</u>
Non-current portion	<u>\$ 96,096</u>

Operating Lease

The Food Bank leases its office and warehouse space in Lantana, Florida, under a non-cancelable lease arrangement that extends through August 2017. The lease requires minimum rentals of \$8,534 per month.

The Food Bank also leases two additional warehouse spaces in Lantana, Florida, under separate non-cancelable lease arrangements that extend through September 2016 and February 2019. The leases require minimum rentals of \$3,714 and \$1,875 per month, respectively.

Rent expense for the year ended June 30, 2017 amounted to \$181,057, which is reported within occupancy expenses in the Statement of Functional Expenses. Future lease commitments in years subsequent to June 30, 2017 are as follows:

Year Ended <u>June 30,</u>	
2018	\$ 84,434
2019	63,507
2020	<u>12,255</u>
	<u>\$ 160,196</u>

For the Year Ended June 30, 2017

6. Subsequent Events

Management has evaluated subsequent events through January 24, 2018, the date on which the financial statements were available to be issued, and determined there were no further disclosures required to be presented in these financial statements.