

GEORGIA MOUNTAIN FOOD BANK, INC.

GAINESVILLE, GEORGIA



FOR THE YEARS ENDED

June 30, 2018 and 2017

GEORGIA MOUNTAIN FOOD BANK, INC.  
GAINESVILLE, GEORGIA

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to the Financial Statements	6-10

INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Georgia Mountain Food Bank, Inc.  
Gainesville, Georgia

We have audited the accompanying financial statements of Georgia Mountain Food Bank, Inc. (a nonprofit organization) 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 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 Georgia Mountain Food Bank, Inc. 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.

*Alexander, Almand & Bangs, LLP*

Alexander, Almand & Bangs, LLP  
Gainesville, GA  
August 29, 2018

GEORGIA MOUNTAIN FOOD BANK, INC.  
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2018	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 165,511	\$ 250,436
Accounts receivable	48,078	28,887
Inventory - donated	321,183	302,084
Prepaid expenses and deposits	5,000	8,366
Total current assets	539,772	589,773
<b>PROPERTY AND EQUIPMENT</b>		
Land and improvements	186,230	186,230
Building	923,288	923,288
Equipment, furniture & fixtures	322,965	242,683
	1,432,483	1,352,201
Less accumulated depreciation	(369,719)	(317,783)
Total property and equipment	1,062,764	1,034,418
<b>TOTAL ASSETS</b>	<b>\$ 1,602,536</b>	<b>\$ 1,624,191</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 44,682	\$ 13,123
Deferred income	57,245	39,561
Accrued payroll liabilities	15,050	15,376
Note payable - current	53,425	-
Total current liabilities	170,402	68,060
<b>NET ASSETS</b>		
Unrestricted		
Board designated - property and equipment	1,062,764	1,034,418
Board designated - inventory	321,183	298,509
Undesignated	29,854	184,919
Total unrestricted	1,413,801	1,517,846
Temporarily restricted	18,333	38,285
Total net assets	1,432,134	1,556,131
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,602,536</b>	<b>\$ 1,624,191</b>

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

GEORGIA MOUNTAIN FOOD BANK, INC.  
STATEMENTS OF ACTIVITIES

	For the Year Ended June 30, 2018			For the Year Ended June 30, 2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues and Support						
Contributions	\$ 377,718	\$ -	\$ 377,718	\$ 464,752	\$ -	\$ 464,752
Direct mailings	350,489	-	350,489	261,289	-	261,289
Grants and foundations	39,500	22,000	61,500	62,085	50,000	112,085
Program service revenues	251,056	-	251,056	244,175	-	244,175
Special events	115,919	-	115,919	94,885	-	94,885
Interest	114	-	114	8	-	8
Gain (loss) on disposition of fixed asset	(75)	-	(75)	(9,747)	-	(9,747)
Net assets released from restrictions:						
Satisfaction of payments	41,952	(41,952)	-	26,315	(26,315)	-
Total revenues and support before in-kind	<u>1,176,673</u>	<u>(19,952)</u>	<u>1,156,721</u>	<u>1,143,762</u>	<u>23,685</u>	<u>1,167,447</u>
In-kind contributions:						
Donated food and product	5,550,371	-	5,550,371	3,857,913	-	3,857,913
Goods and services	32,838	-	32,838	33,922	-	33,922
Total in-kind contributions	<u>5,583,209</u>	<u>-</u>	<u>5,583,209</u>	<u>3,891,835</u>	<u>-</u>	<u>3,891,835</u>
Total Revenues and Support	<u>6,759,882</u>	<u>(19,952)</u>	<u>6,739,930</u>	<u>5,035,597</u>	<u>23,685</u>	<u>5,059,282</u>
Expenses						
Program services	6,448,459	-	6,448,459	4,575,440	-	4,575,440
Management and general	128,910	-	128,910	115,515	-	115,515
Fundraising	276,351	-	276,351	230,769	-	230,769
Total functional expenses	6,853,720	-	6,853,720	4,921,724	-	4,921,724
Costs of direct donor benefits	10,207	-	10,207	9,968	-	9,968
Total Expenses	<u>6,863,927</u>	<u>-</u>	<u>6,863,927</u>	<u>4,931,692</u>	<u>-</u>	<u>4,931,692</u>
CHANGE IN NET ASSETS	(104,045)	(19,952)	(123,997)	103,905	23,685	127,590
NET ASSETS, BEGINNING OF YEAR	<u>1,517,846</u>	<u>38,285</u>	<u>1,556,131</u>	<u>1,413,941</u>	<u>14,600</u>	<u>1,428,541</u>
NET ASSETS, END OF YEAR	<u>\$ 1,413,801</u>	<u>\$ 18,333</u>	<u>\$ 1,432,134</u>	<u>\$ 1,517,846</u>	<u>\$ 38,285</u>	<u>\$ 1,556,131</u>

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

GEORGIA MOUNTAIN FOOD BANK, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES

	For the Year Ended June 30, 2018				For the Year Ended June 30, 2017			
	Program Services	Management & General	Fundraising	Totals	Program Services	Management & General	Fundraising	Totals
Advertising and promotion	\$ 4,680	\$ 669	\$ 61,505	\$ 66,854	\$ 4,425	\$ 632	\$ 58,161	\$ 63,218
Communication and technology	8,500	4,250	4,250	17,000	10,700	5,350	5,350	21,400
Depreciation	49,779	7,111	2,370	59,260	51,272	7,325	2,441	61,038
Direct mailings	-	-	129,866	129,866	-	-	98,826	98,826
Food programs	54,766	-	-	54,766	77,075	-	-	77,075
Insurance expense	29,434	2,646	992	33,072	23,385	2,102	788	26,275
Other employee expenses	12,435	1,776	592	14,803	16,348	2,335	778	19,461
Other miscellaneous costs	9,724	17,929	4,862	32,515	6,650	12,585	7,761	26,996
Postage and printing	3,998	533	800	5,331	3,557	559	1,473	5,589
Professional fees	3,377	8,982	9,911	22,270	5,183	10,840	4,553	20,576
Repairs and maintenance	16,176	1,797	-	17,973	10,481	1,165	-	11,646
Salaries, wages and benefits	547,116	78,159	26,053	651,328	464,444	66,349	22,116	552,909
Supplies	16,390	-	9,168	25,558	10,216	-	4,604	14,820
Taxes and licenses	-	54	-	54	-	50	-	50
Transportation	100,902	-	-	100,902	81,131	-	-	81,131
Travel	4,938	705	235	5,878	5,264	752	251	6,267
Utilities and occupancy	50,614	783	783	52,180	49,737	769	769	51,275
Total expenses before in-kind	<u>912,829</u>	<u>125,394</u>	<u>251,387</u>	<u>1,289,610</u>	<u>819,868</u>	<u>110,813</u>	<u>207,871</u>	<u>1,138,552</u>
In-kind goods and services:								
Donated food and product	5,531,272	-	-	5,531,272	3,749,250	-	-	3,749,250
Goods and services	4,358	3,516	24,964	32,838	6,322	4,702	22,898	33,922
Total in-kind goods and services	<u>5,535,630</u>	<u>3,516</u>	<u>24,964</u>	<u>5,564,110</u>	<u>3,755,572</u>	<u>4,702</u>	<u>22,898</u>	<u>3,783,172</u>
Total expenses	<u>\$ 6,448,459</u>	<u>\$ 128,910</u>	<u>\$ 276,351</u>	<u>\$ 6,853,720</u>	<u>\$ 4,575,440</u>	<u>\$ 115,515</u>	<u>\$ 230,769</u>	<u>\$ 4,921,724</u>

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

GEORGIA MOUNTAIN FOOD BANK, INC.  
STATEMENTS OF CASH FLOWS

	For the Years Ended June 30,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of support and revenues over expenses	\$ (123,997)	\$ 127,590
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	59,260	61,038
In-kind donation - food and product	(19,099)	(108,663)
Loss on disposition of fixed assets	75	9,747
(Increase) decrease in assets:		
Accounts receivable - other	(19,191)	(10,227)
Prepaid expenses	3,366	(5,676)
Increase (decrease) in liabilities:		
Accounts payable	31,559	6,044
Deferred revenues	17,684	24,280
Accrued payroll liabilities	(326)	(1,808)
	(50,669)	102,325
CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(87,681)	(15,905)
Proceeds from sale of furniture and equipment	-	8,000
	(87,681)	(7,905)
CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of debt	53,425	-
	53,425	-
CASH PROVIDED (USED) BY FINANCING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	(84,925)	94,420
CASH AT BEGINNING OF YEAR	250,436	156,016
CASH AT END OF YEAR	\$ 165,511	\$ 250,436
Non-cash transactions consist of in-kind	\$ 5,583,209	\$ 3,891,835
Amounts paid for:		
Interest	\$ -	\$ -
Income Tax	\$ -	\$ -

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

GEORGIA MOUNTAIN FOOD BANK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2018 and 2017

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Georgia Mountain Food Bank, Inc. (GMFB) was created on November 7, 2007. GMFB is a nonprofit organization with the mission to mobilize resources to fight hunger in our community. The core work of GMFB is the collection and distribution of donated food and other grocery products to charitable agencies in a 5 county service area in Northeast Georgia including Dawson, Forsyth, Hall, Lumpkin, and Union counties serving low-income and needy people. GMFB supplements donated and surplus food and products with the purchase of specific food and grocery items. GMFB also conducts hunger research and participates in hunger awareness campaigns in order to educate and inform the public regarding the problems of hunger. GMFB is affiliated with the Atlanta Community Food Bank which is a member of the Feeding America network (formerly America's Second Harvest – The Nation's Food Bank Network).

**Primary Programs**

The primary program of the GMFB is general food and product distribution to charitable agencies located in a 5 county service area, as mutually contracted with the Atlanta Community Food Bank to be Dawson, Forsyth, Hall, Lumpkin and Union counties. In addition, other GMFB programs include:

**Rural Delivery Program:** GMFB provides door to door delivery to rural agencies without the capacity to pick up food on their own. GMFB ensures the safety of refrigerated and frozen product by using two refrigerated box trucks with lift gates to accommodate deliveries. For smaller deliveries of shelf stable product, GMFB also uses a cargo transport van to improve on efficiency.

**Mobile Food Pantries:** The majority of the food that GMFB acquires from donors is distributed to clients through the 73 hunger relief partners in Northeast Georgia. However, many communities and neighborhoods do not have access to pantries for a number of reasons and the GMFB has responded by utilizing volunteers and delivering food directly to people in need via the bi-monthly mobile pantry program. Mobile Pantries to targeted neighborhoods occur on a scheduled bi-monthly schedule as well as special defined need times throughout the year. The GMFB distributed 93,744 pounds of food under this program.

**Munch Bunch Snack Program:** Provides healthy snacks (including fresh fruits when available) to at-risk children through a variety of existing community locations where they congregate such as Boys & Girls Clubs, churches, after-school programs or public schools. In fiscal year 2017-18, GMFB served over 7,289 pounds of food in area programs.

**Senior Brown Bag Program:** Provides nutritious food including fresh produce, baked goods, and personal hygiene products to seniors at three sites. On average, 100 seniors are served weekly through this program. GMFB works with Meals on Wheels, Sunshine Seniors and Guest House in Hall County, through the partner agency network to provide emergency food boxes distributed for holidays and/or inclement weather. The GMFB distributed 376,667 pounds of food under this program.

**Backpacks for Kids:** Backpack programs to help alleviate childhood hunger. Backpacks are distributed to children and youth attending public schools. The children that receive the weekly backpacks are identified by the teachers and administrators at the school. The backpacks are distributed weekly on Friday afternoon filled with shelf stable food items for meals over the weekend. GMFB provides program appropriate food to multiple backpack partners across our 5 county service area. In FY 2018, 155,597 pounds of food was distributed through this program.



GEORGIA MOUNTAIN FOOD BANK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2018 and 2017

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Prescription Food:** Recognizing the correlation between eating healthy and being healthy, GMFB began partnerships with local health clinics serving low income people with health disparities including Type 2 Diabetes, Heart Failure and Cancer. GMFB provides “healthy choice” food boxes to each clinic monthly to distribute to patients identified by clinic staff. The box contains purchased shelf stable food that is ideal to support food insecure patients while undergoing treatment at the different clinics. In FY 2018, GMFB provided 4,971 pounds of food through this program.

**Neighborhood Fresh:** Beginning in June 2017, The Neighborhood Fresh Grocery Delivery Program is the Georgia Mountain Food Bank’s roving ambassador for healthy eating and family stability in northeast Georgia. The program promotes GMFB’s mission, vision and values by providing fresh food and nutrition education. Currently, there are 17 sites in Hall County including senior housing neighborhoods, low income apartment complexes, Gainesville Housing Authority properties, Headstart and a Boys and Girls Club After-School program. This program has been funded in part by United Way for two consecutive years. In FY2018 GMFB distributed 83,967 pounds of food under this program.

**Summer Feeding:** For the summer of 2017, Georgia Mountain Food Bank was a part of collaborative managed by the University of North Georgia to feed children 18 and under by utilizing the USDA Summer Food Service Program. The SFSP program provided more than 30,000 meals to children and youth in three counties of northeast Georgia. Georgia Mountain Food Bank provided 16,076 pounds of supplemental healthy snacks and drinks that were distributed at all fifteen feeding sites as well as mobile food pantry distributions in neighborhoods where children received meals on school buses

**PIN Program:** “PIN” stands for “People In Need” which provides a one-time emergency food distribution to families who reach out to GMFB for assistance. Though GMFB primarily serves as food distribution center for outside feeding groups, we often have families in crisis that find their way to us for help. We provide food and household items to meet the immediate need and also provide information about our partner agencies and programs for ongoing assistance. In FY2018 GMFB provided 14,781 pounds of food to individuals under this program.

**Basis of Accounting**

The financial statements are prepared on the accrual basis in conformity with generally accepted accounting principles.

**Basis of Presentation**

GMFB follows FASB ASC 958, which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. FASB ASC 958 requires that unconditional promises to give be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor imposed restrictions. A description of the three net asset categories follows.

**Unrestricted net assets** have no donor-imposed restrictions

**Temporarily restricted net assets** have donor-imposed restrictions that are satisfied either by the passage of time or expenditures that meet the donor-specified purpose

**Permanently restricted net assets** have donor-imposed restrictions which do not expire.

**Expiration of Donor-Imposed Restrictions**

The expiration of a donor-imposed restriction on a contribution or on endowment income is recognized in the period in which the restriction expires and at that time the related resources are reclassified to unrestricted net assets. The restriction expires when the stipulated time has elapsed, when the specified purpose for which the resource was

GEORGIA MOUNTAIN FOOD BANK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2018 and 2017

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

restricted has been fulfilled, or both. Temporarily restricted revenues whose restrictions are satisfied in the current year are presented as unrestricted revenues. GMFB follows the policy of reporting donor-imposed restricted contributions and endowment income whose restrictions are met within the same fiscal year as unrestricted support.

**Public Support and Revenue**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The main sources of direct public support are from individual and corporate contributors.

**Property and Equipment**

Property and equipment are valued at actual cost. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is provided using the straight-line basis over the following useful lives:

Building	30	years
Cooler/Freezer	20	years
Furniture and Equipment	3 - 20	years
Land Improvements	15	years

**Income Tax**

Georgia Mountain Food Bank, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for income taxes. The Internal Revenue Service has classified the organization as a publicly supported organization under sections 509(a)(1) and 170(b)(1)(A)(vi).

**Cash and Cash Equivalents**

GMFB considers only cash accounts and certificates of deposit with maturities of less than three months as cash equivalents.

**Inventory**

Inventory consists primarily of donated foods and related consumer products. Donated inventory has been valued at \$ 1.73 per pound in 2018 and \$ 1.69 per pound in 2017. This value was derived from Feeding America estimates and management believes it is a fair representation of value.

**Deferred income**

Deferred income includes amounts received in advance for special events held subsequent to the date of the financial statements which are not deemed as earned until the events take place.

**Contributed Services, Facilities, and Food Valuation**

GMFB values all donated services and facilities at FMV at the time of the donation. Food donated is valued using an average rate per pound of food.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

GEORGIA MOUNTAIN FOOD BANK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2018 and 2017

**NOTE 2 - ADMINISTRATIVE AND PROGRAM SERVICE ALLOCATION**

Expenses are allocated between program, management and general, and fundraising based on estimated percentages and vary with each expenditure.

**NOTE 3 - COMPENSATED ABSENCES**

GMFB maintains a compensated absence policy as follows: employees earn paid time off based on years of service and are 1 week up to 4 weeks. Paid time off is awarded at the beginning of the employee's anniversary and expires annually. Unused paid time off may not be carried forward. If employment terminates for any reason, unused paid time off is forfeited. Due to the nature of the compensated absence policy, no accrual for unused paid time off is made.

**NOTE 4 - CONCENTRATIONS OF CREDIT RISK**

GMFB maintains its demand deposits at high quality financial institutions. For the years ended June 30, 2018 and 2017 all cash amounts on deposit are fully insured.

**NOTE 5 – DONATED FACILITIES, SERVICES, AND FOOD**

**Goods and Services** – Contributed goods and services are recognized by GMFB if the goods and services received (a) create or enhance long-lived assets, (b) are required goods necessary for the operations of the GMFB or (c) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Donated goods and services include repairs, advertising, and professional fees. The total fair market value of goods and services totals \$ 32,838 and \$ 33,922 for the years ended June 30, 2018 and 2017, respectively.

**Food** - The GMFB receives a significant amount of contributed food inventory that is recorded in the accompanying financial statements as unrestricted in-kind contributions, net of amounts related to food that is unusable or spoiled when received. Food items are valued using a weighted average price per pound determined using studies commissioned by Feeding America, the nation's largest nongovernmental food distribution program.

As of June 30, 2018 and 2017 the weighted average value of contributed food was \$ 1.73 and \$ 1.69 per pound, respectively. GMFB receives also food donations from local food drives. These food donations are distributed to partner agencies located in the GMFB's service area. For the years ended June 30, 2018 and 2017 the GMFB received 3,208,307 and 2,282,789 pounds of food totaling \$ 5,550,371 and \$ 3,857,913 of in-kind food donations, respectively.

GMFB also acts as a partner distribution organization for food donations on behalf of the Atlanta Community Food Bank (ACFB). The GMFB redistributed 2,804,992 and 3,031,251 pounds of food on behalf of the ACFB for the years ended June 30, 2018 and 2017, respectively. These amounts are not included in the donated food in the previous paragraph.

**NOTE 6 – RETIREMENT PLAN**

The GMFB maintains a retirement plan for certain employees. The GMFB makes a contribution equal to 7.5% of the qualified employee's salary on a monthly basis into an account on behalf of the eligible employees. Employees are eligible for this contribution after 3 years of employment. The total employer contribution for the years ended June 30, 2018 and 2017 was \$ 21,004 and \$ 8,569, respectively. These amounts are included in the caption "Salaries, Wages and Benefits".

GEORGIA MOUNTAIN FOOD BANK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended June 30, 2018 and 2017

**NOTE 7 – LINE OF CREDIT**

The GMFB maintains a line of credit with a financial institution in the amount of \$ 95,000. The line of credit bears interest at prime plus 1%, currently 6% and matures on September 8, 2018. The balance at June 30, 2018 totals \$ 53,425 and is all due currently.

**NOTE 8 – LEASES**

The agency entered into an operating lease agreement for a box truck during the prior year. The terms of the lease call for a refundable security deposit in the amount of \$ 5,000 and 84 fixed monthly lease payments in the amount of \$ 1,601.87. The remaining obligation under the operating lease totals 63 monthly payments totaling \$ 100,918.

**NOTE 9 – NET ASSETS**

Temporarily restricted net assets consist of the following:

	For the Years Ended June 30,	
	2018	2017
Beginning Balance	\$ 38,285	\$ 14,600
Increases:		
United Way	22,000	22,000
Jackson EMC	-	13,000
Riverstone	-	5,000
Chalovich	-	10,000
Total Increases	22,000	50,000
Decreases:		
Food Programs	(41,952)	(21,500)
Warehouse equipment	-	(4,815)
Total Decreases	(41,952)	(26,315)
Ending Balance	\$ 18,333	\$ 38,285

**NOTE 10 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 29, 2018, the date the financial statements were available to be issued, and determined that no material subsequent events have occurred.