

**MYAGRO FARMS
REPORT ON THE AUDIT
OF THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2018 AND 2017**

MYAGRO FARMS
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
MyAgro Farms

We have audited the accompanying financial statements of MyAgro Farms (a California not-for-profit corporation), 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.

Auditors' 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 opinions.

Basis for Qualified Opinion

We did not observe the physical inventory taken to verify the quantity of inventory items as of June 30, 2018 and 2017. Consequently, we were unable to determine whether any adjustments to the amounts in the financial statements are necessary.

Qualified Opinion

In our opinion, except for the effects on the June 30, 2018 and 2017 financial statements of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of MyAgro Farms 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.

Kuntle & Associates, P.C.

MYAGRO FARMS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

ASSETS	2018	2017
CURRENT ASSETS		
Cash	\$ 964,185	\$ 1,160,856
Accounts Receivable (Net of Valuation Allowance of \$0, Respectively)	2,090,310	439,522
Employee Advances	58,512	78,290
Inventory	93,961	129,556
Prepaid Expenses	25,546	20,710
Security Deposits	8,694	7,126
TOTAL CURRENT ASSETS	<u>3,241,208</u>	<u>1,836,060</u>
FIXED ASSETS		
Furniture and Equipment	244,882	92,557
Vehicles	169,188	54,697
	<u>414,070</u>	<u>147,254</u>
Less – Accumulated Depreciation	126,269	76,772
TOTAL FIXED ASSETS	<u>287,801</u>	<u>70,482</u>
OTHER ASSETS		
Security Deposits	17,644	6,872
TOTAL OTHER ASSETS	<u>17,644</u>	<u>6,872</u>
TOTAL ASSETS	<u><u>\$ 3,546,653</u></u>	<u><u>\$ 1,913,414</u></u>

LIABILITIES AND NET ASSETS		
	2018	2017
CURRENT LIABILITIES		
Accounts Payable	\$ 422,163	\$ 239,602
Notes Payable	1,150,000	500,000
Accrued Liabilities	184,384	96,714
Deferred Revenue	1,281	26,027
TOTAL CURRENT LIABILITIES	<u>1,757,828</u>	<u>862,343</u>
TOTAL LIABILITIES	<u>1,757,828</u>	<u>862,343</u>
NET ASSETS		
Unrestricted	(406,538)	(6,493)
Temporarily Restricted	<u>2,195,363</u>	<u>1,057,564</u>
TOTAL NET ASSETS	<u>1,788,825</u>	<u>1,051,071</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 3,546,653</u></u>	 <u><u>\$ 1,913,414</u></u>

See Accompanying Notes To The Financial Statements.

MYAGRO FARMS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
PUBLIC SUPPORT, REVENUES, AND GAINS				
Foundation Grants	\$ 3,162,183	\$ 4,367,502	\$ 0	\$ 7,529,685
Inputs and Layaway	1,413,789	0	0	1,413,789
Government Grants	50,000	0	0	50,000
Other Grants	192,820	0	0	192,820
Donations and Contributions	49,439	102,798	0	152,237
In-Kind Donations	7,110	0	0	7,110
Gain on Sale of Fixed Asset	2,034	0	0	2,034
Interest Income	160	0	0	160
Net Assets Released from Restrictions	3,332,501	(3,332,501)	0	0
TOTAL PUBLIC SUPPORT AND REVENUES	<u>8,210,036</u>	<u>1,137,799</u>	<u>0</u>	<u>9,347,835</u>
EXPENSES AND LOSSES				
Functional Expenses				
Program Services	7,614,403	0	0	7,614,403
Management and General	473,375	0	0	473,375
Fundraising	484,778	0	0	484,778
Total Functional Expenses	8,572,556	0	0	8,572,556
Remeasurement Loss	37,525	0	0	37,525
TOTAL EXPENSES AND LOSSES	<u>8,610,081</u>	<u>0</u>	<u>0</u>	<u>8,610,081</u>
CHANGE IN NET ASSETS	(400,045)	1,137,799	0	737,754
NET ASSETS,				
BEGINNING OF YEAR	<u>(6,493)</u>	<u>1,057,564</u>	<u>0</u>	<u>1,051,071</u>
END OF YEAR	<u>\$ (406,538)</u>	<u>\$ 2,195,363</u>	<u>\$ 0</u>	<u>\$ 1,788,825</u>

See Accompanying Notes To The Financial Statements.

MYAGRO FARMS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
PUBLIC SUPPORT, REVENUES, AND GAINS				
Foundation Grants	\$ 2,720,388	\$ 2,044,790	\$ 0	\$ 4,765,178
Inputs and Layaway	957,963	0	0	957,963
Government Grants	75,000	85,351	0	160,351
Other Grants	41,742	0	0	41,742
Donations and Contributions	12,076	0	0	12,076
Other Program Revenue	4,638	0	0	4,638
In-Kind Donations	4,122	0	0	4,122
Remeasurement Gain	24,161	0	0	24,161
Net Assets Released from Restrictions	1,491,692	(1,491,692)	0	0
TOTAL PUBLIC SUPPORT AND REVENUES	<u>5,331,782</u>	<u>638,449</u>	<u>0</u>	<u>5,970,231</u>
EXPENSES AND LOSSES				
Functional Expenses				
Program Services	4,595,862	0	0	4,595,862
Management and General	376,463	0	0	376,463
Fundraising	358,291	0	0	358,291
Total Functional Expenses	5,330,616	0	0	5,330,616
Loss on Disposal of Fixed Assets	7,279	0	0	7,279
TOTAL EXPENSES AND LOSSES	<u>5,337,895</u>	<u>0</u>	<u>0</u>	<u>5,337,895</u>
CHANGE IN NET ASSETS	(6,113)	638,449	0	632,336
NET ASSETS,				
BEGINNING OF YEAR	(380)	419,115	0	418,735
END OF YEAR	<u>\$ (6,493)</u>	<u>\$ 1,057,564</u>	<u>\$ 0</u>	<u>\$ 1,051,071</u>

See Accompanying Notes To The Financial Statements.

MYAGRO FARMS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries	\$ 3,278,923	\$ 177,005	\$ 315,043	\$ 3,770,971
Payroll Taxes and Benefits	291,186	50,929	65,689	407,804
	<u>3,570,109</u>	<u>227,934</u>	<u>380,732</u>	<u>4,178,775</u>
Advertising	25,988	0	0	25,988
Allowance to Trainees	68,943	0	0	68,943
Bank Charges	35,221	8,758	3,923	47,902
Casual Labor	267,512	0	0	267,512
Computers and Hardware	11,118	3,155	1,000	15,273
Cost of Goods Sold	1,425,861	0	0	1,425,861
Depreciation	57,113	54	102	57,269
Fuel	140,411	0	0	140,411
General International Program Expenses	81,596	0	0	81,596
In-Kind Services	0	7,110	0	7,110
Insurance	8,861	11,374	0	20,235
Interest	18,258	417	0	18,675
Internet	105,155	0	0	105,155
Maintenance	121,914	0	0	121,914
Miscellaneous	43,417	0	0	43,417
Office Expenses	2,923	2,936	1,636	7,495
Professional Fees	445,359	132,101	49,692	627,152
Program Supplies	431,827	0	0	431,827
Rent	144,403	11,392	857	156,652
Software and Subscriptions	35,268	12,295	5,160	52,723
Taxes and Fees	48,165	529	0	48,694
Telecommunications	125,136	1,574	72	126,782
Transportation	163,889	0	0	163,889
Travel	205,869	53,746	41,604	301,219
Utilities	30,087	0	0	30,087
	<u>4,044,294</u>	<u>245,441</u>	<u>104,046</u>	<u>4,393,781</u>
	<u>\$ 7,614,403</u>	<u>\$ 473,375</u>	<u>\$ 484,778</u>	<u>\$ 8,572,556</u>

See Accompanying Notes To The Financial Statements.

MYAGRO FARMS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries	\$ 1,921,590	\$ 165,612	\$ 207,773	\$ 2,294,975
Payroll Taxes and Benefits	161,631	56,636	51,181	269,448
	<u>2,083,221</u>	<u>222,248</u>	<u>258,954</u>	<u>2,564,423</u>
Advertising	49,855	0	0	49,855
Allowance to Trainees	66,607	0	0	66,607
Bank Charges	38,816	1,709	351	40,876
Casual Labor	159,745	0	0	159,745
Computers and Hardware	21,625	1,814	1,790	25,229
Cost of Goods Sold	950,260	0	0	950,260
Depreciation	28,173	0	0	28,173
Fuel	92,973	0	0	92,973
General International Program Expenses	43,303	0	0	43,303
In-Kind Services	4,122	0	0	4,122
Insurance	4,844	6,271	0	11,115
Interest	0	3,662	0	3,662
Internet	45,850	0	0	45,850
Maintenance	90,343	0	0	90,343
Miscellaneous	7,489	0	0	7,489
Office Supplies	2,508	2,145	404	5,057
Professional Fees	140,191	74,458	44,505	259,154
Program Supplies	253,943	0	0	253,943
Rent	85,799	14,853	435	101,087
Software and Subscriptions	15,358	14,392	2,725	32,475
Taxes and Fees	25,396	0	0	25,396
Telecommunications	79,276	437	547	80,260
Transportation	114,039	0	0	114,039
Travel	177,059	34,474	48,580	260,113
Utilities	15,067	0	0	15,067
	<u>2,512,641</u>	<u>154,215</u>	<u>99,337</u>	<u>2,766,193</u>
	<u>\$ 4,595,862</u>	<u>\$ 376,463</u>	<u>\$ 358,291</u>	<u>\$ 5,330,616</u>

See Accompanying Notes To The Financial Statements.

MYAGRO FARMS
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from Farmers and Grants	\$ 7,662,997	\$ 5,717,246
Interest Received	160	0
Paid to Suppliers and Employees	(8,186,889)	(5,517,045)
Interest Paid	(12,860)	0
Income Taxes Paid	0	0
	<hr/>	<hr/>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(536,592)	200,201
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Purchase of Fixed Assets	(275,775)	(64,129)
Proceeds from the Sale of Fixed Assets	3,221	2,026
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	(272,554)	(62,103)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Notes Payable	1,150,000	500,000
Principal Payments on Notes Payable	(500,000)	0
Advances on Line of Credit	0	0
Principal Payments on Line of Credit	0	(186,300)
	<hr/>	<hr/>
NET CASH PROVIDED BY FINANCING ACTIVITIES	650,000	313,700
	<hr/>	<hr/>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(37,525)	24,161
	<hr/>	<hr/>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(196,671)	475,959
CASH AND CASH EQUIVALENTS,		
BEGINNING OF YEAR	1,160,856	684,897
	<hr/>	<hr/>
END OF YEAR	\$ 964,185	\$ 1,160,856
	<hr/> <hr/>	<hr/> <hr/>
NON-CASH OPERATING ACTIVITIES		
Non-Cash Services	\$ 7,110	\$ 4,122
	<hr/>	<hr/>
TOTAL NON-CASH OPERATING ACTIVITIES	\$ 7,110	\$ 4,122
	<hr/> <hr/>	<hr/> <hr/>

See Accompanying Notes To The Financial Statements.

MYAGRO FARMS
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	<u>\$ 737,754</u>	<u>\$ 632,336</u>
Adjustments to Reconcile Change in Net Assets to Net Cash (Used in) Provided by Operating Activities:		
Remeasurement Loss (Gain)	37,525	(24,161)
Depreciation	57,269	28,173
(Gain) Loss on Disposal of Fixed Assets	(2,034)	7,279
Changes in Certain Assets and Liabilities:		
Accounts Receivable	(1,650,788)	(235,934)
Employee Advances	19,778	(59,327)
Inventory	35,595	(99,168)
Prepaid Expenses	(4,836)	(8,794)
Security Deposits	(12,340)	(8,329)
Accounts Payable	182,561	(91,730)
Accrued Liabilities	87,670	48,624
Deferred Revenue	<u>(24,746)</u>	<u>11,232</u>
Total Adjustments	<u>(1,274,346)</u>	<u>(432,135)</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ (536,592)</u></u>	<u><u>\$ 200,201</u></u>

See Accompanying Notes To The Financial Statements.

MYAGRO FARMS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A) Organization and Nature of Activities

MyAgro Farms (the "Organization") is a California not-for-profit organization that was incorporated in March 2012 and is registered to operate in its program countries. Currently, the primary countries of operations are Senegal, Mali, and Tanzania. The mission of the Organization is to help small-scale farmers move out of poverty. The Organization achieves this mission by helping farmers using a mobile network layaway system to purchase agricultural inputs and by providing technical training to help increase their harvests.

B) Method of Accounting

The Organization's accounts are maintained on the accrual basis of accounting. Grants and other contributions are reported as temporarily restricted support if they are received with stipulations that limit the use of the funding. When the 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 released from restrictions. Expenses are recorded when incurred.

The Organization reports 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. The Organization does not use fund accounting.

C) Accounting Policies

Cash and Cash Equivalents - For purposes of reporting cash flows, cash is defined as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. The Organization has deposits at U.S. financial institutions in excess of federally insured limits of approximately \$160,000 and \$375,000 at June 30, 2018 and 2017, respectively. Additionally, the Organization has approximately \$560,000 and \$620,000 in foreign financial institutions not covered by FDIC at June 30, 2018 and 2017, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

MYAGRO FARMS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) Accounting Policies (Continued)

Accounts Receivable and Advances - Accounts receivable and advances are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable receivable account. The valuation allowance for accounts receivable at June 30, 2018 and 2017 is \$0, respectively.

Inventory - Inventory is valued at the lower of cost or market with cost determined on a weighted average basis. Inventories consist of seed and fertilizer and solar for use in the Organization's programs, or kept for sale.

Deferred Revenue - The Organization entered into a joint agreement with the Stromme Foundation for the Organization to provide services for a fee. The Organization earns these fees as it provides services over the span of the contract period. That portion of the Organization's program services, which it has not yet provided to the participants is recorded in the financial statements as deferred revenue.

Fixed Assets - Fixed assets are recorded at cost when purchased, while donated fixed assets are recorded at their estimated fair value on the date of donation. Expenditures for repairs and maintenance are charged to expense as incurred, whereas renewals and betterments that extend the lives of fixed assets are capitalized. The Organization does not a set capitalization threshold. Depreciation is computed on the straight-line method over various useful lives. Depreciation expense for the years ended June 30, 2018 and 2017 is \$57,269 and \$28,173, respectively.

Income Taxes - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, a provision for income taxes has not been made on the financial statements. It is also classified as other than a private foundation. The Organization has no unrelated business income during the year, and therefore, no provision for federal or state income taxes has been made in the accompanying financial statements. With few exceptions, the Organization is no longer subject to examinations by major tax jurisdictions for the years ended June 30, 2015 and prior.

MYAGRO FARMS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) Accounting Policies (Continued)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - IN-KIND DONATIONS

Donated Services - Donated services are recognized as revenues at their estimated fair value when they create or enhance nonfinancial assets or they require specialized skills which would need to be purchased if they were not donated. For the year ended June 30, 2018 and 2017 donated services amount to \$7,110 and \$4,122, respectively, and are reflected on the statement of activities and functional expenses as in-kind services.

NOTE 3 - NOTES PAYABLE

Notes payable consists of the following:

	2018	2017
\$1,000,000 note payable to Jasmine Charitable Trust, Isenberg Family Charitable Foundation, and Netri Fundacion Privada dated February 1, 2018, due in one payment on September 30, 2018 inclusive of interest at 3%.	\$ 1,000,000	\$ 0
\$150,000 notes payable to a board member and two donors dated December 1, 2017, due in one payment on September 30, 2018 with no interest.	150,000	0
\$500,000 note payable to Jasmine Charitable Trust, Isenberg Family Charitable Foundation, and Netri Fundacion Privada dated February 8, 2017, due in one payment on September 30, 2017 inclusive of interest at 3%.	0	500,000
Total Debt	1,150,000	500,000
Less: Current Portion	1,150,000	500,000
Total Long-Term Debt	\$ 0	\$ 0

MYAGRO FARMS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 4 - FUNCTIONAL CURRENCY, FOREIGN CURRENCY TRANSLATION AND CURRENCY EXCHANGE RATE EXPOSURE

Based on several factors, including the dominant role of the U.S. currency in the funding of the Organization's programs, management considers the U.S. dollar to be the Organization's functional currency. As such, the Organization's monetary assets and liabilities held in foreign currencies are remeasured using the current rate at the balance sheet date, while non-monetary assets and liabilities are remeasured using historical exchange rates. Most revenues and expenses that occur during a period are remeasured for practical purposes using a weighted average exchange rate for the period. However, revenues and expenses that represent the allocations of historical balances, such as depreciation expense, are remeasured using the same historical exchange rates, as the ones used for remeasuring the underlying items on the balance sheet. The Organization regularly transfers cash from its domestic accounts to its foreign accounts to cover expenses, translating its foreign transactions into U.S. dollars using a weighted average exchange rate. The Organization has remaining significant deposits in foreign financial institutions and petty cash held in the local currencies of Mali, Senegal, and Tanzania. The Organization has other assets and liabilities originally denominated in foreign currencies.

This results in an exposure to currency exchange gains and losses at the time assets are disposed of and liabilities are settled, as well as during year-end foreign currency translation into U.S. dollars. In any particular year, currency exchange rate fluctuations may have a significant impact on the Organization's financial results. The foreign currency translation gains and losses are recorded on the Organization's statement of activities as a net remeasurement gain or loss. The Organization recognized a remeasurement gain (loss) at June 30, 2018 and 2017 of \$(37,525) and \$24,161, respectively. The cumulative translation adjustment at June 30, 2018 and 2017 is \$(17,753) and \$19,772, respectively.

NOTE 5 - LEASE COMMITMENTS

The Organization leases offices, apartments, and warehouse space, and housing for its workforce in Africa under multiple operating leases expiring on various dates through July, 2022. Total rent expense under all leases at June 30, 2018 and 2017 is \$156,652 and \$101,087, respectively.

Minimum future rental payments are as follows:

For the year ended June 30, 2019	\$	89,791
2020		60,480
2021		15,624
2022		14,436
2023		6,505
	\$	<u>186,836</u>

MYAGRO FARMS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 6 - CONCENTRATION OF FOREIGN OPERATIONS RISK

Contributions are raised globally, with a majority within the U.S. The nature of the Organization's program activities is to supply agricultural inputs, training, and credit in foreign countries. While foreign operations risk is somewhat diversified across countries, and is actively managed by the Organization, it remains reasonably possible that operations outside the U.S. could be disrupted due to political, economic, or natural events, impacting the normal functioning of these programs. The Organization has assets outside the U.S. with a carrying value of \$1,043,718 and \$917,981 at June 30, 2018 and June 30, 2017, respectively.

NOTE 7 - CONCENTRATION OF FUNDING SOURCES

The Organization receives a major portion of its revenue from private foundation grants. The level of services available in the future could be substantially impacted if the Organization were to receive less funding.

NOTE 8 - NET ASSET RESTRICTIONS AND DESIGNATIONS

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors during the year:

	2018	2017
Foundation Awards	\$ 3,332,501	\$ 1,406,341
Government Grants	0	85,351
	<u>\$ 3,332,501</u>	<u>\$ 1,491,692</u>

Net assets are temporarily restricted for the following:

	2018	2017
Foundation Awards	\$ 2,092,565	\$ 1,057,564
Donations and Contributions	\$ 102,798	\$ 0
	<u>\$ 2,195,363</u>	<u>\$ 1,057,564</u>

NOTE 9- SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2018, the date of the most recent statement of net assets, have been evaluated for possible adjustment to the financial statements or disclosure is May 7, 2019, the date the financial statements were available to be issued.