

DOLPHIN SCHOLARSHIP FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

DOLPHIN SCHOLARSHIP FOUNDATION

**FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Dolphin Scholarship Foundation
Virginia Beach, Virginia

We have audited the accompanying financial statements of Dolphin Scholarship Foundation (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of June 30, 2016 and 2015, 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 risk 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 Dolphin Scholarship Foundation of June 30, 2016 and 2015, 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.

Barnes, Brock, Cornwell & Painter, PLC

September 20, 2016
Chesapeake, Virginia

DOLPHIN SCHOLARSHIP FOUNDATION

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015**

ASSETS	2016	2015
CURRENT ASSETS:		
Cash and cash equivalents	\$ 164,464	\$ 218,258
Investments	4,673,957	4,548,338
Accrued investment income	13,865	16,755
Accounts receivables	50,922	-
Inventory	14,446	11,414
Prepaid expense	2,159	2,425
Total current assets	<u>\$ 4,919,813</u>	<u>\$ 4,797,190</u>
FURNITURE AND EQUIPMENT:		
Furniture and equipment	\$ 39,021	\$ 36,755
Less accumulated depreciation	<u>32,980</u>	<u>30,829</u>
Net furniture and equipment	<u>\$ 6,041</u>	<u>\$ 5,926</u>
OTHER ASSET:		
Security deposit	<u>\$ 950</u>	<u>\$ 950</u>
Total assets	<u>\$ 4,926,804</u>	<u>\$ 4,804,066</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 556	\$ 1,509
Payroll taxes withheld and accrued expenses	1,914	38
Deferred revenue	<u>-</u>	<u>10,000</u>
Total current liabilities	<u>\$ 2,470</u>	<u>\$ 11,547</u>
NET ASSETS:		
Unrestricted:		
Available for operations	\$ 552,912	\$ 520,282
Board designated funds	<u>3,969,381</u>	<u>3,893,695</u>
Total unrestricted	<u>\$ 4,522,293</u>	<u>\$ 4,413,977</u>
Temporary restricted	<u>402,041</u>	<u>378,542</u>
Total net assets	<u>\$ 4,924,334</u>	<u>\$ 4,792,519</u>
Total liabilities and net assets	<u>\$ 4,926,804</u>	<u>\$ 4,804,066</u>

See independent auditor's report and accompanying notes to financial statements.

DOLPHIN SCHOLARSHIP FOUNDATION

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	Unrestricted	Temporary Restricted	2016 Total	Comparative 2015 Total
REVENUE AND SUPPORT:				
Contributions	\$ 251,433	\$ 2,960	\$ 254,393	\$ 337,941
Special events, net of expenses \$15,887 and \$20,409, respectively	67,751	-	67,751	67,135
Interest and dividend income	127,907	11,891	139,798	141,006
Realized gain on investments	69,465	21,022	90,487	52,892
Unrealized gain on investments	157,029	-	157,029	92,581
Sublet rental income	13,118	-	13,118	13,125
Loss on disposal of furniture and equipment	(58)	-	(58)	(1,643)
Net assets released from restrictions	12,374	(12,374)	-	-
Total revenue and support	\$ 699,019	\$ 23,499	\$ 722,518	\$ 703,037
EXPENSES:				
Program services	\$ 461,027	\$ -	\$ 461,027	\$ 492,528
Management and general	75,979	-	75,979	44,018
Fundraising	53,697	-	53,697	56,489
Total expenses	\$ 590,703	\$ -	\$ 590,703	\$ 593,035
CHANGE IN NET ASSETS	\$ 108,316	\$ 23,499	\$ 131,815	\$ 110,002
NET ASSETS, BEGINNING OF YEAR	4,413,977	378,542	4,792,519	4,682,517
NET ASSETS, END OF YEAR	\$ 4,522,293	\$ 402,041	\$ 4,924,334	\$ 4,792,519

See independent auditor's report and accompanying notes to financial statements.

DOLPHIN SCHOLARSHIP FOUNDATION

**STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	Program Services	Management and General	Fundraising	2016 Total	Comparative 2015 Total
Salaries and wages	\$ 34,749	\$ 26,681	\$ 32,709	\$ 94,139	\$ 90,619
Payroll taxes	2,664	2,017	2,521	7,202	6,932
Total salaries and related expenses	\$ 37,413	\$ 28,698	\$ 35,230	\$ 101,341	\$ 97,551
Scholarship awards, net of refunds	399,100	-	-	399,100	398,800
Occupancy expense	1,701	20,190	364	22,255	20,788
Investments fees	-	13,919	-	13,919	13,949
Technology and website	6,451	1,383	1,383	9,217	14,551
Professional fees	4,866	1,208	1,268	7,342	12,507
Marketing	-	-	6,817	6,817	3,618
Equipment rental and maintenance	-	6,041	386	6,427	6,262
Telephone	3,665	786	786	5,237	5,227
Office expense	1,727	460	2,774	4,961	4,327
Postage	1,069	1,104	1,276	3,449	2,458
Depreciation	2,228	477	477	3,182	6,857
Insurance	2,111	452	452	3,015	759
Travel	-	-	2,121	2,121	2,841
Miscellaneous expense	-	711	125	836	982
Conferences and meetings	446	96	96	638	450
Registration fees	-	400	88	488	800
Security	250	54	54	358	308
Total expenses	\$ 461,027	\$ 75,979	\$ 53,697	\$ 590,703	\$ 593,035

See independent auditor's report and accompanying notes to financial statements.

DOLPHIN SCHOLARSHIP FOUNDATION

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 131,815	\$ 110,002
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation	3,182	6,857
Donated investments included in contributions	(14,725)	(26,613)
Amortization of discounts on investments	-	(74)
Loss on disposal of furniture and equipment	58	1,643
Net realized and unrealized gain on investments	(247,516)	(145,473)
(Increase) decrease in assets:		
Accrued investment income	2,890	1,457
Accounts receivable	(50,922)	-
Inventory	(3,032)	5,296
Prepaid expenses	266	(2,425)
Increase (decrease) in liabilities:		
Accounts payable	(953)	1,509
Payroll taxes withheld and accrued expenses	1,876	(1,784)
Deferred revenue	(10,000)	10,000
NET CASH USED OPERATING ACTIVITIES	\$ (187,061)	\$ (39,605)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment	\$ (3,355)	\$ (3,234)
Proceeds from sale of investments	546,322	208,835
Purchases of investments	(409,700)	(149,365)
NET CASH PROVIDED BY INVESTING ACTIVITIES	\$ 133,267	\$ 56,236
NET CHANGES IN CASH AND CASH EQUIVALENTS	\$ (53,794)	\$ 16,631
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	218,258	201,627
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 164,464	\$ 218,258
SUPPLEMENTAL DATA FOR NONCASH INVESTING:		
Donated investments	\$ 14,725	\$ 26,613

See independent auditor's report and accompanying notes to financial statements.

DOLPHIN SCHOLARSHIP FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

NOTE 1 - ORGANIZATION:

The Dolphin Scholarship Foundation (the "Foundation") is a non-profit organization established to grant educational scholarships for undergraduate dependent children of U.S. Naval submarine force personnel. These personnel must have served actively for a minimum of eight years in the submarine fleet or actively for a minimum of ten years in a support group to the submarine fleet.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting and are presented in accordance with the recommendations of the Financial Accounting Standards Board. The Foundation reports information regarding its financial position and activities according to three classes of net assets, as follows:

- Unrestricted amounts are those currently available, at the discretion of the Board of Directors, for use in the operations and those resources invested in furniture and equipment.
- Temporarily restricted amounts are those that are stipulated by donors for specific purposes. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restriction.
- Permanently restricted amounts are restricted to investments in perpetuity, the income from which is expendable in accordance with the conditions of each specific donation. The Foundation maintained no such balances as of June 30, 2016 and 2015.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Recognition of Restrictions on Assets

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the same reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

Donated Services

The Foundation recognizes in-kind contributions as revenue and expense in the period in which they are received. No amounts have been reflected in the accompanying financial statements for volunteer services since they are not susceptible to objective measurement or valuation; however, a number of volunteers donated significant amounts of their time performing services that would otherwise be performed by paid employees.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Fair value is 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. Money market funds maintained with investment portfolios are included with investments. Unrealized gains and losses are reported as changes in net assets in accompanying statements of activities. Realized gains and losses on investment transactions are determined on an average cost basis.

Inventory

Inventory is stated at the lower of cost or market, using the first-in, first-out method.

See independent auditor's report. Notes continued on next page.

DOLPHIN SCHOLARSHIP FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Furniture and Equipment

Purchased items are stated at cost and donated items are stated at fair market value at the date of the gift. It is the Foundation's policy to capitalize expenditures for these items in excess of \$500. Lesser amounts are expensed. Donations are reported as unrestricted support unless the donor has restricted the asset to a specific purpose. Depreciation is provided on the straight-line method over the estimated useful lives of the assets of 5 to 7 years. Gains and losses arising from retirements or dispositions are recognized in the period incurred.

Depreciation expense for the years ended June 30, 2016 and 2015 amounted to \$3,182 and \$6,857, respectively.

Income Taxes

Dolphin Scholarship Foundation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. Internal Revenue Code Section 513(a) defines an unrelated trade or business of an unexempt Foundation as any trade or business which is not substantially related to the exercise or performance of its exempt purpose. Currently the Foundation has no obligation for any unrelated business income tax. The Foundation believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements; however, any penalties and interest incurred as a result of uncertain tax positions would be recorded in general administration. The Foundation's federal return of Foundation Exempt from Income Tax (Form 990) for 2015, 2014, 2013 and 2012 are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Public Support and Revenue

The Foundation receives most of its public support from individuals, corporate donations, and from profits of Dolphin stores and other fund-raising activities controlled by various submarine officers' spouses' clubs. Profits from these organization are remitted to the Dolphin Scholarship Foundation.

Functional Allocation of Expenses

The cost of providing the Foundation's various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs are allocated among the programs and supporting services benefited.

Advertising Costs

The Foundation expenses the cost of advertising when incurred. Advertising costs amounted to \$6,817 and \$3,618 for the years ended June 30, 2016 and 2015, respectively.

Summarized Comparative 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

DOLPHIN SCHOLARSHIP FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 3 - CONCENTRATION OF RISK:

Financial instruments, which potentially subject the Foundation to concentrations of credit risk, consist principally of cash and temporary cash investments. The Foundation places its cash and temporary cash investments with high credit quality depositories.

Financial instruments which potentially subject the Foundation to credit risk principally consist of temporary cash investments and securities. To minimize this risk, the Foundation places their cash and securities with high credit quality financial institutions insured by the FDIC and SIPC. Cash and cash equivalents are secured by the FDIC up to a standard maximum deposit insurance amount of \$250,000 per bank per entity for interest and non-interest bearing accounts. Securities are protected by the SIPC, which currently protects brokerage accounts of each entity up to \$500,000. As of June 30, 2016 and 2015, the Foundation did not have demand deposits on hand in financial institutions that exceeded the FDIC coverage guaranty for the years ended June 30, 2016 and 2015. As of June 30, 2016 and 2015, the Foundation had securities in excess of protected SIPC amounts of \$4,099,401 and \$3,952,494, respectively.

NOTE 4 - FAIR VALUE MEASUREMENTS:

FASB (ASC) 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability.
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016 and 2015.

Common stock, corporate bonds, and U.S. Government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

DOLPHIN SCHOLARSHIP FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued):

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2016 and 2015.

Assets at Fair Value as of June 30, 2016:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 74,556	\$ -	\$ -	\$ 74,556
U.S. Government obligations	-	618,948	-	618,948
Corporate bonds	-	1,383,836	-	1,383,836
Corporate stocks	2,596,617	-	-	2,596,617
Total investments	\$ 2,671,173	\$ 2,002,784	\$ -	\$ 4,673,957

Assets at Fair Value as of June 30, 2015:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 18,605	\$ -	\$ -	\$ 18,605
U.S. Government obligations	-	505,398	-	505,398
Corporate bonds	-	1,491,747	-	1,491,747
Corporate stocks	2,532,588	-	-	2,532,588
Total investments	\$ 2,551,193	\$ 1,997,145	\$ -	\$ 4,548,338

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended:

	Unrestricted	Temporarily Restricted	Total
June 30, 2016			
Interest and dividends	\$ 127,711	\$ 12,087	\$ 139,798
Realized and unrealized gains and (losses)	226,494	21,022	247,516
Total investment return (loss)	\$ 354,205	\$ 33,109	\$ 387,314
June 30, 2015			
Interest and dividends	\$ 129,665	\$ 11,341	\$ 141,006
Realized and unrealized gains	133,440	12,033	145,473
Total investment return	\$ 263,105	\$ 23,374	\$ 286,479

The Board of Directors believes that to achieve the greatest likelihood of meeting investment objectives and the best balance between risk and return for optimal diversification, the Foundation allocates assets in accordance with the target and allowance variation for each class as stated below:

Asset Classes	Target Allocation	Allowable Range
Fixed income - U.S.	59%	49 - 64%
Equity - U.S.	40%	35 - 50%
Cash	1%	1 - 5%

DOLPHIN SCHOLARSHIP FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued):

Consistent with the Foundation's spending policy, it is anticipated that up to 8% of the value of investments will be disbursed annually, normally in July or November of each year. Therefore, at least 10% of the value of the investments will be invested in instruments that can be quickly converted to cash with no significant adverse changes in value as a result of the liquidation.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS:

The composition of temporarily restricted net assets and the changes in temporarily restricted net assets at June 30, 2016 and 2015 are as follows:

	Laura W. Bush Scholarship	Nautilus Educational Assistance Fund	Total
Temporarily restricted net assets, July 1, 2014	\$ 304,453	\$ 54,250	\$ 358,703
Contributions	-	8,820	8,820
Interest and dividends income	9,460	1,853	11,313
Realized and unrealized gain	10,066	1,966	12,032
Investment fees	(957)	(169)	(1,126)
Amounts appropriated for expenditure	(10,200)	(1,000)	(11,200)
Temporarily restricted net assets, June 30, 2015	\$ 312,822	\$ 65,720	\$ 378,542
Contributions	-	2,960	2,960
Interest and dividends income	9,763	2,128	11,891
Realized and unrealized gain	17,269	3,753	21,022
Investment fees	(966)	(208)	(1,174)
Amounts appropriated for expenditure	(10,200)	(1,000)	(11,200)
Temporarily restricted net assets, June 30, 2016	\$ 328,688	\$ 73,353	\$ 402,041

The Laura W. Bush Scholarship was established to provide up to three scholarships to be awarded annually to children and stepchildren of current or former crew members of the USS Texas that meet certain eligibility requirements. The scholarships are in the amount being awarded by the Foundation in its regular scholarship program. Two scholarships totaling \$10,200 were awarded for the years ended June 30, 2016 and 2015.

The Nautilus Educational Assistance Fund (NEAF) was established to provide scholarships to be known as Nautilus Scholarships. It was established to honor the crewmembers of USS Nautilus. Scholarships are to be paid from the income of the fund for the benefit of spouses, children, grandchildren, and great grandchildren (including stepchildren and grandchildren) of a current or former crewmember that meets certain eligibility requirements. One scholarship totaling \$1,000 was awarded for the years ended June 30, 2016 and 2015.

At such time as it is determined by the board of Directors of the Foundation that there are no longer any individuals eligible to receive the Laura W. Bush Scholarship or the Nautilus Scholarship, the programs will be discontinued. Any funds remaining therein will become part of the unrestricted assets of the Foundation and will be distributed as scholarships as part of the general scholarship program.

Temporarily restricted assets are invested by the Foundation in accordance with rules and investment policies of the Foundation adopted by the Board of Directors.

DOLPHIN SCHOLARSHIP FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 6 - OPERATING LEASE COMMITMENT:

The Foundation has an operating lease for its office facility. The original lease began on September 1, 2008 and ran through August 31, 2013. The lease has been amended effective May 2, 2013 to run until August 31, 2017. Rent expense for 2015 and 2016 were \$19,826 and \$19,826, respectively.

Future required lease payments are as follows:

June 30, 2017	\$ 19,826
June 30, 2018	3,304
Total	<u>\$ 23,130</u>

On September 2013, the Foundation entered into a one year sublease agreement with a non-profit organization for a portion of the above office space. The original lease agreement called for rental payments of \$394 per month to be paid to the Foundation through September 14, 2015. The lease was amended on October 1, 2015 to run through September 30, 2016. Thereafter, the sublease shall extend indefinitely until either party gives a sixty (60) day notice of termination. The agreement calls for rental payments of \$463 per month, to be paid to the Foundation.

On September 2013, the Foundation entered into a one year sublease agreement with a non-profit organization for a portion of the above office space. The original lease agreement called for rental payments of \$433 per month to be paid to the Foundation through September 15, 2015. The lease was amended on October 1, 2015 to run through September 30, 2016. Thereafter, the sublease shall extend indefinitely until either party gives a sixty (60) day notice of termination. The agreement calls for rental payments of \$457 per month, to be paid to the Foundation.

Payments in the amount of \$13,118 and \$13,125 for the above amounts have been reflected as rental income in the statements of activities for the years ended June 30, 2016 and 2015, respectively.

NOTE 7 - SUBSEQUENT EVENTS:

Subsequent events were evaluated through September 20, 2016, which is the date the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date and through September 20, 2016 that would require adjustment to, or disclosure in, the financial statements.