CPSM, Inc. and Subsidiaries
Consolidated Balance Sheets
As of September 30, 2015 and December 31, 2014

	September 30, 2015 (unaudited)	December 31, 2014
Assets		
Cash	623,308	$557,920
Accounts Receivable	153,387	83,707
Due from Related Party	10,249	8,139
Inventory	48,301	62,525
Deposits	8,000	3,000
Total Current Assets	843,245	715,291
Property and Equipment, Net	436,928	317,326
Deferred Tax Asset	41,831	41,831
Intangible Assets, Net	21,448	26,934
Total Assets	$1,343,452	$1,101,382
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts Payable and Accrued Liabilities	$170,078	$121,669
Stockholder Advance Payable	79,403	86,150
Bank Line of Credit	24,203	31,136
Notes Payable - Current	17,500	17,500
SBA Loan - Current	56,172	56,172
Customer Deposits	100,432	77,833
Total Current Liabilities	447,787	390,460
Long Term Liabilities		
Notes Payable - Long Term	140,456	69,689
SBA Loan - Long Term	154,823	198,444
Promissory Note - Stockholder	210,000	210,000
Total Liabilities	953,067	868,592
Stockholders' Equity		
Common Stock, $0.001 par value, 250,000,000 Shares Authorized, 81,041,419 Shares Issued and Outstanding at September 30, 2015 and December 31, 2014, respectively	81,041	81,041
Additional Paid-in Capital	143,261	140,945
Retained Earnings	166,084	10,803
Total Stockholders' Equity	390,386	232,789
Total Liabilities and Stockholders' Equity	$1,343,452	$1,101,382

The accompanying Notes are an integral part of the consolidated financial statements

CPSM, Inc. and Subsidiaries
Consolidated Statements of Operations
For the Three Months Ended September 30, 2015 and 2014
Unaudited

	Three Months Ended September 30,	
	2015	**2014**
Revenue	$1,136,449	$873,733
Costs and Expenses:		
Cost of Services and Products Sold:		
Purchases	315,297	378,198
Service Costs	442,237	229,476
Sales and Marketing	9,340	8,047
General and Administrative	279,729	167,553
Depreciation and Amortization	18,023	14,427
Total	1,064,626	797,701
Other (Income) Expense:		
Interest Expense	5,496	5,226
Other Income	-7	-7
Total Other Expense	5,489	5,219
Income Before Income Tax	66,334	70,813
Income Tax		
Current	14,320	-
Deferred	-	-
Total Income Tax	14,320	-
Net Income	$52,014	$70,813
Net Earnings per Common Share:		
Basic and Diluted	$0.00	$0.00
Weighted Average Number of Common Shares Outstanding	81,041,422	75,169,683

Unaudited Pro Forma Tax and Net Income and Per Share Information for S Corp Periods		
Net Income	-	70,813
Pro Forma Income Tax Adjustment	-	13,562
Pro Forma Net Income	-	$57,251
Pro Forma Basic and Diluted Net Earnings Per Common Share	$-	$0.00

The accompanying Notes are an integral part of the consolidated financial statements

CPSM, Inc. and Subsidiaries
Consolidated Statements of Operations
Nine Months Ended September 30, 2015 and 2014
Unaudited

	Nine Months Ended September 30, 2015	2014
Revenue	$2,981,709	$2,601,944
Costs and Expenses:		
Cost of Services and Products Sold:		
Purchases	862,781	1,113,767
Service Costs	1,149,866	752,696
Sales and Marketing	29,673	47,576
General and Administrative	633,351	380,670
Depreciation and Amortization	50,623	43,013
Total	2,726,293	2,337,722
Other (Income) Expense:		
Interest Expense	17,770	16,188
Other (Income) Expense	238	-5,468
Total Other Expense	18,008	10,720
Income Before Income Tax	237,407	253,501
Income Tax		
Current	82,126	-
Total Income Tax	82,126	-
Net Income	$155,281	$253,501
Net Earnings per Common Share:		
Basic and Diluted	$0.00	$0.00
Weighted Average Number of Common Shares Outstanding	81,041,422	69,446,940

Unaudited Pro Forma Tax and Net Income and Per Share Information for S Corp Periods		
Net Income	-	253,501
Pro Forma Income Tax Adjustment	-	88,943
Pro Forma Net Income	$-	$164,558
Pro Forma Basic and Diluted Net Earnings Per Common Share	$-	$0.00

The accompanying Notes are an integral part of the consolidated financial statements

CPSM, Inc. and Subsidiaries
Consolidated Statements of Cash Flow
For the Nine Months Ended September 30, 2015
Unaudited

	Nine Months Ended September 30, 2015	2014
Cash Flow from Operating Activities:		
Net Income	$155,281	$253,501
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities:		
Depreciation and Amortization	50,623	43,013
Non-cash Stock Option Compensation	1,830	
Increase (Decrease) in Cash from change in:		
Accounts Receivable	(69,680)	(120,648)
Due from Related Party	-2,110	(6,188)
Inventory	14,224	(35,692)
Deposit	-5,000	-
Accounts Payable and Accrued Expenses	49,908	75,469
Customer Deposit	22,599	62,460
Net Cash Provided By Operating Activities	217,676	271,915
Cash Flow from Investing Activities:		
Purchase of Property and Equipment	-162,254	-90,380
Purchase of Intangible Property	-3,500	(15,000)
Net Cash Used in Investing Activities	(165,754)	(105,380)
Cash Flow from Financing Activities:		
Issuance of Common Stock	-	353,500
Payment on Bank Line of Credit	(6,933)	-
Proceeds from Bank Line of Credit	-	(2,601)
Payment on Notes Payable	(16,613)	(28,565)
Payment on Stockholder Advance Payable	(6,747)	(11,757)
Payment on SBA Loan	-43,621	(41,720)
Issuance of Notes Payable	87,380	61,008
Net Cash Provided by (Used in) Financing Activities	13,466	329,865
Net Increase in Cash	$65,388	$496,400

Cash at the Beginning of the Period	$557,920	$109,940
Cash at the End of the Period	$623,308	$606,340
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	$15,187	$15,066
Taxes	$15,828	$ -
Supplemental Disclosures of Non-Cash Information:		
Issuance of Promissory Note - Incurred with the acquisition of common stock of CPSM, Inc.		$210,000
Deferred Income Tax Asset Resulting from Reorganization		$79,023

The accompanying Notes are an integral part of the consolidated financial statements

NOTE 1 – NATURE OF OPERATIONS

CPSM, Inc. ("CPSM") and its wholly-owned subsidiaries, Custom Pool and Spa Mechanics, Inc. ("Custom Pool") , and Custom Pool Plastering, Inc. ("CPP") collectively (the "Company") are primarily engaged in the provision of full line pool and spa services, specializing in pool maintenance and service, repairs, leak detection, renovations, decking and remodeling. The primary market area includes Martin, St Lucie and Indian River counties, Florida.

NOTE 2 - RECAPITALIZATION

On September 11, 2014, through a stock exchange CPSM acquired all of the outstanding common shares of Custom Pool. The principal shareholder of Custom Pool at the acquisition date was the Lawrence and Loreen Calarco Family Trust (the "Calarco Trust"), beneficially owned by Lawrence Calarco, an officer and director of the Company and Loreen Calarco an officer and director of the Company.

For accounting purposes the transaction is accounted for as a reverse recapitalization. Reverse recapitalization accounting applies when a non-operating shell company (CPSM) acquires a private operating company (Custom Pool) and the owners and management of the private operating company have actual or effective voting and operating control of the combined company. A reverse recapitalization is equivalent to the issuance of stock by the private operating company for the net monetary assets of the public shell corporation accompanied by a recapitalization with accounting similar to that resulting from a reverse acquisition, except that no goodwill or other intangible assets are recorded.

On June 12, 2014, the Calarco Trust and four investors purchased approximately 98.5% of the outstanding common shares of Nevcor Business Solutions, Inc. ("Nevcor"). Subsequently, Nevcor was changed to CPSM, Inc.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All intercompany balances and transactions have been eliminated.

Basis of Presentation

The accompanying unaudited, consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information, and the Securities and Exchange Commission ("SEC") rules for interim financial reporting. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted pursuant to such rules and regulations.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

However, in the opinion of management, the accompanying interim consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the Company's consolidated financial position as of September 30, 2015 and the consolidated results of operations and cash flows for the periods presented. The consolidated results of operations for interim periods are not necessarily indicative of the results of operations to be expected for any subsequent interim period or for the fiscal year ended December 31, 2015. The accompanying unaudited consolidated financial statements and notes thereto should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2014 included in the Company's S-1.

Cash and Cash Equivalents

All highly liquid investments with original maturities of three months or less or money market funds from substantial financial institutions are considered to be cash equivalents. Substantially all of the cash and cash equivalents are placed with one financial institution. From time to time during the year the cash accounts are exposed to credit loss for amounts in excess of insured limits of $250,000 in the event of non-performance by the institution, however, it is not anticipated that there will be non-performance.

Allowance for uncollectible receivables

Management evaluates credit quality by evaluating the exposure to individual counterparties, and, where warranted, management also considers the credit rating or financial position, operating results and/or payment history of the counterparty. Management establishes an allowance for amounts for which collection is considered doubtful. Adjustments to previous assessments are recognized in income in the year in which they are determined. At September 30, 2015 and December 31, 2014, no receivables were determined to be overdue or impaired and, accordingly, no allowance for uncollectible receivables has been established.

Inventory

Inventory consists principally of pool chemicals and resurfacing materials. Inventory has a short turnover cycle. It is valued at the lower of cost or market using the First-in, First-out method.

Property and Equipment

Land is stated at cost. Property and equipment are carried at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Land and building represent the primary office facility of the Company. The equipment is largely comprised of computers and motor vehicles used in the pool service business.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Intangible Assets

Intangible assets consist primarily of customer lists and other purchased assets with a definite life, and these are amortized using the straight-line method over those estimated useful lives.
Amortization expense will be approximately $14,000 and $13,000 for the years ended December 31, 2015 and 2016.

Customer Deposits

The Company collects initial deposits from customers for pool resurfacing and remediation work and recognizes the revenue when the work is completed.

Revenue Recognition

Revenue is recognized when the pool service is completed and the collectability is reasonably assured. For pool resurfacing and remediation work, revenue is recognized at the time of completion of the job.

Stock-Based Compensation

The Company accounts for stock-based compensation under the fair value recognition provisions of U.S. GAAP which requires the measurement and recognition of compensation for all stock-based awards made to employees and directors including stock options and restricted stock issuances based on estimated fair values.

In accordance with U.S. GAAP, the fair value of stock-based awards is generally recognized as compensation expense over the requisite service period, which is defined as the period during which an employee is required to provide service in exchange for an award. The Company uses a straight-line attribution method for all grants that include only a service condition. Compensation expense related to all awards is included in other operating expense.

Income Taxes

Through June 30, 2014 the stockholders of the Company elected to be taxed as an S-Corporation for federal and state income tax purposes, all items of income and expense flowed through to the stockholders, therefore no provision for income taxes was reflected from January 1, 2014 through June 30, 2014.

Effective July 1, 2014 the stockholders of the Company elected to be taxed as a C-Corporation and as a result income taxes are accounted for as follows:

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of asset and liabilities. Deferred tax assets and liabilities are determined

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

based on the differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect on deferred tax asset and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company accounts for uncertainties in income tax law under a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns as prescribed by generally accepted accounting principles ("GAAP"). Under GAAP, the tax effects of a position are recognized only if it is "more-likely-than-not" to be sustained by the taxing authority as of the reporting date. If the tax position is not considered "more-likely-than-not" to be sustained, then no benefits of the position are recognized. Management believes there are no unrecognized tax benefits or uncertain tax positions as of September 30, 2015 and December 31, 2014.

The Company recognizes interest and penalties on income taxes as a component of income tax expense, should such an expense be realized.

Basic and Diluted Net Earnings per Share

The Company computes earnings per share in accordance with "ASC-260", "Earnings per Share" which requires presentation of both basic and diluted earnings per share on the face of the statement of operations. Basic earnings per share is computed by dividing net earnings available to common shareholders by the weighted average number of outstanding common shares during the period. Diluted earnings per share gives effect to all dilutive potential common shares outstanding during the period. Dilutive earnings per share excludes all potential common shares if their effect is anti-dilutive. The Company has 1,000,000 stock options that are potentially dilutive, however, those stock options are out of the money and are not dilutive as of September 30, 2015. Accordingly basic earnings and diluted earnings per share are the same.

Fair Value Measurement

Generally accepted accounting principles establishes a hierarchy to prioritize the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest ranking to the fair values determined by using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). Observable inputs are those that market participants would use in pricing the assets based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about

inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The Company has determined the appropriate level of the hierarchy and applied it to its financial assets and liabilities.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Use of Estimates and Assumptions

The preparation of consolidated financial statements 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 4 – RECENT ACCOUNTING PRONOUNCEMENTS

In April 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2014-08 (ASU 2014-08), Presentation of Financial Statements (Topic 205) and Property, Plant and Equipment (Topic 360). ASU 2014-08 amends the requirements for reporting discontinued operations and requires additional disclosures about discontinued operations. Under ASU 2014-08, only disposals representing a strategic shift in operations or that have a major effect on the Company's operations and financial results should be presented as discontinued operations. ASU 2014-08 is effective for annual periods beginning
after December 15, 2014. The adoption of this guidance did not have any impact on the Company's financial statement presentation or disclosures.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09 (ASU 2014-09), Revenue from Contracts with Customers. ASU 2014-09 will eliminate transaction- and industry-specific revenue recognition guidance under current U.S. GAAP and replace it with a principle based approach for determining revenue recognition. ASU 2014-09 will require that companies recognize revenue based on the value of transferred goods or services as they occur in the contract. ASU 2014-09 also will require additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs
incurred to obtain or fulfill a contract. ASU 2014-09 is effective for reporting periods beginning after December 15, 2016, and early adoption is not permitted. Entities can transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption. The Company is currently evaluating the impact the adoption of ASU 2014-09 on the Company's financial statement presentation and disclosures.

In July 2015, the FASB issued ASU No. 2015-11, "Simplifying the Measurement of Inventory, Topic 330, Inventory." An entity should measure inventory within the scope of this Update at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Subsequent measurement is unchanged for

inventory measured using LIFO or the retail inventory method. For public business entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The Company is currently evaluating the impact of the adoption of ASU 2015-11 on its consolidated financial statements.

NOTE 5 – CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents with high-credit quality financial institutions. At September 30, 2015 and December 31, 2014 the Company had cash and cash equivalent balances in excess of federally insured limits in the amount of approximately $373,308 and $307,920, respectively.

Accounts receivable are financial instruments that potentially expose the Company to concentration of credit risk. However, accounts receivable of $153,387and $83,707 at September 30, 2015 and December 31, 2014, respectively, are comprised of many pool service customers accounts, none of which are individually significant in size. The Company historically has collected substantially all of its receivables.

NOTE 6 – FAIR VALUE ESTIMATES

The Company measures financial instruments at fair value in accordance with ASC 820, which specifies a valuation hierarchy based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's own assumptions.

Management believes the carrying amounts of the Company's cash, accounts receivable, accounts payable as of June 30, 2015 and December 31, 2014 approximate their respective fair values because of the short-term nature of these instruments. The Company measures its letter of credit, notes payable and loans in accordance with the hierarchy of fair value based on whether the inputs to those valuation techniques are observable or unobservable. The hierarchy is:

Level 1 – Quoted prices for identical instruments in active markets;

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and

Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The fair value of the line of credit, notes payable and loans December 31, 2014 and September 30, 2015 were as follows:

	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value
Year Ended December 31, 2014				
Bank Line of Credit		$ 31,136		$ 31,136
Notes Payable		$ 85,134		$ 87,189
SBA Loan		$ 254,616		$ 254,616
Promissory Note – Stockholder			$ 175,434	$ 210,000
Stockholder Advance Payable			$ 86,150	$ 86,150
Period Ended September 30, 2015				
Bank Line of Credit		$ 24,203		$ 24,203
Notes Payable		$ 157,956		$ 157,956
SBA Loan		$ 210,995		$ 210,995
Promissory Note - Stockholder			$ 175,434	$ 210,000
Stockholder Advance Payable			$ 79,403	$ 79,403

NOTE 7 – STOCKHOLDER ADVANCE PAYABLE

At September 30, 2015 and December 31, 2014, the Company also had an advance payable of $79,403 and $86,150, respectively, from the Lawrence and Loreen Calarco Family Trust, beneficially owned by Lawrence Calarco, an officer and director of the Company and Loreen Calarco an officer and director of the Company. The advance payable was used in the original acquisition of Custom Pool. The terms of the advance payable are non-interest bearing and it is due on demand.

NOTE 8 – BANK LINE OF CREDIT

The Company maintains a $50,000 revolving line of credit with a regional bank. The line of credit has a ten year maturity, but is due upon demand by the bank. The interest rate is currently 5.25%, and it is a floating rate, 2.0% over the Wall Street Journal Prime Rate Index. The outstanding balance as of September 30, 2015 and December 31, 2014, respectively is $24,203 and $31,136. The Company is currently in compliance with the terms of the line of credit.

NOTE 9 – NOTES PAYABLE

At September 30, 2015 and December 31, 2014 the Company has $157,956 and $87,189 respectively, in notes payable secured against the motor vehicles used in the pool services and pool resurfacing businesses. The interest rates range from 2.99% to 5.75% and the maturities range from three to six years. The Company is currently in compliance with the terms of the loans.

NOTE 10 – LONG TERM LOANS

At September 30, 2015 and December 31, 2014, the Company has a long term loan from Wells Fargo Bank which is guaranteed by the Small Business Administration. The terms of the loan have a floating interest rate of 2.00% over the Wall Street Journal Prime Rate Index, with the interest rate currently at 5.5%. The loan matures in January 2019. The loan is secured by all of the assets of Custom Pool and by personal guaranties of Lawrence and Loreen Calarco. The outstanding balance of the loan at September 30, 2015 and December 31, 2014 is $210,995 and $254,616 respectively. The Company is currently in compliance with the terms of this loan.

At September 30, 2015 and December 31, 2014, the Company has a Promissory Note from a stockholder for $210,000, which was incurred with the acquisition of the common stock of CPSM, Inc.

The term of the Promissory Note is 5 years and the note has an interest rate set at the 5 Year Treasury Note rate, currently set at 1.64% and which resets annually from June 3, 2014. The principal is due on the final maturity of June 3, 2019. The Company has not paid interest, but has accrued interest expense of $3,706 and $1,123 as of September 30, 2015 and September 30, 2014, respectively. The Company is in compliance with the provisions of this Note.

NOTE 11 - CAPITAL STOCK

At the time of the consummation of the recapitalization transaction (See Note 2), CPSM had 73,741,062 shares outstanding of which 8,300,951 shares were held by independent persons, exclusive of the 65,440,471 common shares held by the Calarco Trust.

Post recapitalization, the company issued 7,300,000 common shares between $0.01 per share and $0.05 per share for $353,000 of gross and net proceeds. At September 30, 2015 and December 31, 2014, the Company had 81,041,422 common shares issued and outstanding.

NOTE 12 – 2014 STOCK AWARDS PLAN

In November 2014, the board of directors of the Company approved the adoptions of a Stock Awards Plan. The purpose is to provide a means through which CPSM may attract, retain and motivate employees, directors and persons affiliated with the Company, including, but not limited to, non-employee consultants, and to provide a means whereby such persons can acquire and maintain stock ownership, thereby strengthening their concern for the welfare of the Company. A further purpose of the Plan is to provide such participants with additional incentive and reward opportunities designed to enhance the profitable growth and increase stockholder value of the Company. A total of 7,000,000 shares was authorized to be issued under the plan. For incentive stock options, at the grant date the stock options exercise price is required to be at least 110% of the fair value of the Company's common stock.

The Plan permits the grants of common stock or options to purchase common stock. As plan administrator, the Board of Directors has sole discretion to set the price of the options. Further, the Board of Directors may amend or terminate the plan.

On May 27, 2015, the Board of Directors granted two individuals 500,000 options each. After issuance of the stock options, there is 6,000,000 shares available for issuance. The stock options have a five year maturity, vesting ratably over that period.
-
A summary of the stock option activity over the nine month period ended September 30, 2015 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value ($000's)
Outstanding at January 1, 2015	-			
Granted	1,000,000	$ 0.035	5 years	-
Exercised	-			
Forfeited	-			
Outstanding at Sept. 30, 2015	1,000,000	$ 0.035	5 Years	-
Exercisable at Sept. 30, 2015	56,603	$ 0.035	4.7 Years	-

The Company expensed $1,830 of stock option compensation for the nine months ended June 30, 2015.

During the nine month period ended September 30, 2015, 1,000,000 stock options were granted with the fair value estimated on the date of grant using the following assumptions and the Black Scholes options pricing model:

Dividend Yield	-
Expected Volatility	113.19%
Risk Free Interest Rate	1.57%
Expected Life	5 Years
Per Share Grant Date Fair Value of Options Issued	$ 0.0265

A total of 6,000,000 shares are available for grant at September 30, 2015.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

The Company does not have any significant or long term commitments. The Company is not currently subject to any litigation.

On August 4, 2015, the Company entered into a written agreement to purchase a 5,600 square foot, free standing, commercial building in the amount of $480,000. The Company secured a ten-year mortgage from a local banking institution with a required 20% deposit at a rate of 3.99%. The transaction is expected to close in October 2015.