Advanced Visual Systems Inc.
Financial Statements
June 30, 2014 and 2014

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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors and Stockholders
of Advanced Visual Systems Inc.

I have audited the accompanying financial statements of Advanced Visual Systems Inc. (a Nevada corporation) and subsidiaries, which comprise the consolidated balance sheets as of June 30, 2014 and 2013, and the related statements of operation, retained earnings, 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advanced Visual Systems Inc. as of June 30, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ Paul E Forsythe III CPA
Haworth, NJ
September 29, 2014

Advanced Visual Systems Inc.
Balance Sheets

ASSETS

		Consolidatd
	June 30, 2014	June 30, 2013
Current Assets		
Cash & Equivalents	$ 131,562	$ 105,855
Receivables, net of allowance for bad debts of $32,014 and $34,487	1,157,135	1,091,512
Loans to officers	75,876	136,060
Prepaid Expenses	42,874	72,831
Total Current Assets	1,407,447	1,406,258
Other Assets		
Accounts receivable due after 1 year net of discount	95,660	295,660
Property and equiment - net	29,407	28,553
Intangibles, net of accumulated amortization	1,591,512	1,505,883
Other Assets	90,184	90,184
Goodwill	1,061,440	1,061,440
Total Other Assets	2,868,203	2,981,720
Total Assets	$ 4,275,650	$ 4,387,978

LIABILITIES AND EQUITY

Current Liabilities		
Accounts Payable	$ 110,378	103,999
Accrued Expenses	297,334	284,459
Deferred Maintenance Revenue	278,451	225,528
Notes Payable - due within one year	148,625	147,079
Total Current Liabilities	834,788	761,065
Long-term Liabilities		
Notes payable - due in over one year	96,866	-
Total Liabilities	931,654	761,065
Stockholders' Equity		
Common Stock, 199,999,000 class A shares authorized, $.001 pare value; 97,279,906 shares issued and outstanding: 1,000 class B shares authorized, $.001 par value; 1,000 shares issued and outstanding: 10,000,000 preferred shares authorized, $.001 par value; no shares issued and outstanding.	97,281	92,133
Additional Paid in Capital	3,262,352	2,775,948
Common stock to be issued per agreement	-	592,352
Retained Earnings	(17,828)	164,943
Other Comprehensive Income	2,191	1,537
Total Stockholders' Equity	3,343,996	3,626,913
Total Liabilities & Equity	$ 4,275,650	$ 4,387,978

See accompanying notes

Advanced Visual Systems Inc.
Statement of Operations

	Consolidated			
	For the Year Ended June 30, 2014	For the Three Months Ended June 30, 2014	For the YearEnded June 30, 2013	For the Three Months Ended June 30, 2013
Net Sales	$ 1,538,504	$ 471,322	$ 2,612,558	$ 566,935
Cost of Goods Sold	246,697	63,275	316,713	89,288
Gross Profit	1,291,807	408,047	2,295,845	477,647
Operating Expenses				
Selling , general and administrative expenses	1,565,323	314,310	2,259,335	347,298
Total Operating Expenses	1,565,323	314,310	2,259,335	347,298
Income (Loss) from Operations	(273,516)	93,737	36,510	130,349
Other Income (Expense)				
Interest Income (Expense)	(10,266)	3,278	(9,843)	2,040
Other Income (Expense)	101,011	-	5,744	(5,744)
Stock Options granted	-	-	329,000	-
Total Other Income (Expense)	90,745	3,278	324,901	(3,704)
Income (Loss) before Provision for Income Taxes and Extraordinary Expenses	(182,771)	97,015	361,411	126,645
Provision for Income Taxes	-	-	27,116	-
	-	-	27,116	-
Net Income (Loss)	$ (182,771)	$ 97,015	$ 334,295	$ 126,645
Net income per share, basic	$ (0.0019)	$ 0.0010	$ 0.0034	$ 0.0014
Net income per share, diluted	$ (0.0016)	$ 0.0009	$ 0.0030	$ 0.0014
Weighted average number of shares outstanding - Basic	97,638,116	97,779,906	97,638,116	92,131,802
Weighted average number of shares outstanding - Diluted	111,679,906	111,679,906	111,679,906	105,091,802
Comprehensive Income				
Net Income (Loss)	$ (182,771)	$ 97,015	$ 334,295	$ 126,645
Translation adjustments net of taxes of $0	654	63,275	29,339	62,717
Comprehensive income (Loss)	$ (182,117)	$ 160,290	$ 363,634	$ 189,362

See accompanying notes

Advanced Visual Systems Inc.
Statements of Cash Flows

	For the Year Ended June 30, 2014	Consolidated For the Year Ended June 30, 2013
Cash flows from operating activities:		
Net Income	$ (182,771)	$ 334,295
Adjustments to reconcile net income to net cash provided (used) by operating activities		
Amortization and depreciation	240,799	314,249
Provision for Bad Debts	(8,956)	8,419
Currency re-measurement gain (loss), net	654	30,876
Closing of Subsidiary	-	(35,909)
(Increase) decrease in:		
Accounts Receivable	(56,669)	(434,251)
Other Receivables	60,184	48,718
Prepaid Expenses	29,957	53,872
Intangibles & Other Non-current Assets	(127,281)	(157,974)
Increase (decrease) in:		
Accounts Payable	6,380	22,422
Accrued Expenses	12,875	(257,582)
Deferred maintenance	52,923	(70,775)
Net cash provided (used) by operating activities	28,095	(143,640)
Cash flows from financing activities:		
Loans issued during the period	102,000	-
Purchase of fixed assets	-	(28,553)
Payments of Loan indebtedness	(3,588)	93,204
Net cash provided (used) by financing activities	98,412	64,651
Cash flows from investing activities:		
Issuance of common stock	491,552	(3,742,658)
Value of shares to be issued in payment of long-term debt	(592,352)	(1,071,000)
Revaluing of Goodwil	-	4,691,158
Net cash provided (used) by investing activities	(100,800)	(122,500)
Net increase (decrease) in cash	25,707	(201,489)
Cash at beginning of period	105,855	307,344
Cash at end of period	$ 131,562	$ 105,855

See accompanying notes

Advanced Visual Systems Inc.
Statement Stockholders' Equity

	NUMBER OF SHARES	PARVALUE	AMOUNT	PAID IN CAPITAL	VALUE OF SHARES TO BE ISSUED	RETAINED EARNINGS	COMPRENESIVE INCOME (LOSS)	TOTAL
ENDING BALANCE - JUNE 30, 2013	92,131,802	0.001	92,133	2,775,948	592,352	164,943	1,537	3,626,913
Issuance of shares in payment of long-term debt	6,588,104	0.001	6,588	585,764	(592,352)			-
Cancellation of consulting agreement	(1,440,000)	0.001	(1,440)	(99,360)				(100,800)
Net Income (Loss)						(182,771)		(182,771)
Foreign currency translations, net of tax benefit (expense) of $0	-		-	-	-	-	654	654
ENDING BALANCE - JUNE 30, 2014	97,279,906		$ 97,281	$ 3,262,352	$ -	$ (17,828)	$ 2,191	$ 3,343,996

See accompanying notes

Nature of Operations

The Company was incorporated in the State of Nevada on December 10, 2001. On August 27, 2009, the Company changed its name to Advanced Visual Systems Inc. and consummated a merger agreement with Advanced Visual Systems Inc., a Delaware corporation, effective as of September 15, 2009. The Company operates as the developer and primary distributor of software products and solutions that are used in multiple sectors of industry to present diverse forms of information as computer-based graphics commonly known as data visualizations.

1. Summary of Significant Accounting Policies

a. Basis of Presentation

These financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in U.S. dollars. The financial statements include the accounts of the Company. Prior year's financial statements included the accounts of a wholly owned subsidiary which was closed on February 15, 2013. The financial statements for June 30, 2013are presented on a consolidated basis. All significant inter-company balances and transactions have been eliminated upon consolidation.

b. 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 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. The Company regularly evaluates estimates of Goodwill, stock-based compensation and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

c. Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents.

d. Property and Equipment

Property and equipment is stated at cost and depreciated using the straight-line method over the shorter of the estimated useful life of the asset or the lease term. The estimated useful lives of our property and equipment are generally as follows: computer software developed or acquired for internal use, three years; computer equipment, two to three years; buildings and improvements, five to 15 years; leasehold improvements, two to 10 years; and furniture and equipment, one to five years. Land is not depreciated.

e. Financial Instruments

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 as of the measurement date. Fair value measurements assume the asset or liability is exchanged in an orderly manner; the exchange is in the principal market for that asset or liability (or in the most advantageous market when no principal market exists); and the market participants are independent, knowledgeable, able and willing to transact an exchange.

A hierarchy for measuring fair value consists of Levels 1 through 3.

Level 1 – Inputs represent unadjusted quoted prices for identical assets or liabilities exchanged in active markets.

Level 2 – Inputs include directly or indirectly observable inputs (other than Level 1 inputs) such as quoted prices for similar assets or liabilities exchanged in active or inactive markets; quoted prices for identical assets or liabilities exchanged in inactive markets; other inputs that may be considered in fair value determinations of the assets or liabilities, such as interest

Summary of Significant Accounting Policies (continued)

rates and yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs include unobservable inputs used in the measurement of assets and liabilities. Management is required to use its own assumptions regarding unobservable inputs because there is little, if any, market activity in the assets or liabilities or related observable inputs that can be corroborated at the measurement date. Unobservable inputs require management to make certain projections and assumptions about the information that would be used by market participants in pricing assets or liabilities.

Level 3 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Pursuant to FASB Accounting Standards Codification, fair value of assets and liabilities measured on a recurring basis include cash equivalents determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The Company believes that the recorded values of all of the other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

f. Revenue Recognition

The Company recognizes revenue when products are sold at a fixed or determinable price. Maintenance income is recognized over the life of the contract for the services rendered.

g. Earnings Per Share

The Company computes earnings (loss) per share in accordance with FASB Accounting Standards Codification (ASC). ASC requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing earnings (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive.

h. Comprehensive Income

The Company follows ASC, “Reporting Comprehensive Income" for the reporting and display of comprehensive income. June 30, 2014 and 2013 the Company had foreign exchange difference for items on the balance that represent a comprehensive loss. The Company has presented the net comprehensive loss as a function of stockholders’ equity and, therefore, has not included a separate schedule of comprehensive loss in the financial statements.

i. Foreign Currency Translation

Transactions in foreign currencies are translated into the currency of measurement at the exchange rates in effect on the transaction date. Monetary balance sheet items expressed in foreign currencies are translated into US dollars at the exchange rates in effect at the balance sheet date. The resulting exchange gains and losses are recognized as other comprehensive income.

The Company's integrated foreign subsidiary is financially or operationally dependent on the Company. The Company uses the temporal method to translate the accounts of its integrated operations into US dollars. Monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates for the period, except for amortization, which is translated on the same basis as the related asset. The resulting exchange gains or losses are recognized in income.

Summary of Significant Accounting Policies (continued)

j. Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with FSC, "Accounting for Income Taxes". The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities and for operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

On January 1, 2007, the Company adopted the provision of the FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The interpretation requires the Company recognize the impact of a tax position in the financial statements if that position is more likely than not of being sustained on audit, based on the technical merits of the position. FIN 48 also provides guidance on de-recognition, classification, interest and penalties, and accounting in interim periods and disclosure. In accordance with the provisions of FIN 48, any cumulative effect resulting from a change in accounting principle is recorded as an adjustment to the opening deficit balance. As of June 30, 2014, the Company did not have any amounts recorded pertaining to uncertain tax positions. The adoption of FIN No. 48 did not impact the Company's tax provision or the amounts recorded in the consolidated financial statements.

The Company files federal, state and local income tax returns in the U.S., as applicable. The open taxation years range from 2006 to 2008. In certain circumstances, the US federal statute of limitations can reach beyond the standard three year period. US state statutes of limitations for income tax assessment vary from state to state. Tax authorities of the U.S. have not audited any of the Company's, or its subsidiaries', income tax returns for the open taxation years noted above. The Company recognizes interest and penalties related to uncertain tax positions in tax expense.

k. Recently Issued Accounting Standards

Recently Adopted Accounting Guidance

On July 1, 2010, the Company adopted guidance issued by the Financial Accounting Standards Board ("FASB") on revenue recognition. Under the new guidance on arrangements that include software elements, tangible products that have software components that are essential to the functionality of the tangible product are no longer within the scope of the software revenue recognition guidance, and software-enabled products are now subject to other relevant revenue recognition guidance. Additionally, the FASB issued guidance on revenue arrangements with multiple deliverables that are outside the scope of the software revenue recognition guidance. Under the new guidance, when vendor specific objective evidence or third party evidence for deliverables in an arrangement cannot be determined, a best estimate of the selling price is required to separate deliverables and allocate arrangement consideration using the relative selling price method. The new guidance includes new disclosure requirements on how the application of the relative selling price method affects the timing and amount of revenue recognition. Adoption of the new guidance did not have a material impact on our financial statements.

On July 1, 2010, the Company adopted new guidance issued by the FASB on the consolidation of variable interest entities. The new guidance requires revised evaluations of whether entities represent variable interest entities, ongoing assessments of control over such entities, and additional disclosures for variable interests. Adoption of the new guidance did not have a material impact on our financial statements.

In June 2011, the FASB issued guidance on presentation of comprehensive income. The new guidance eliminates the current option to report other comprehensive income and its components in the statement of changes in equity. Instead, an entity will be required to present either a continuous statement of net income and other comprehensive income or in two separate but consecutive statements. The new guidance will be effective for years beginning July 1, 2012 and will have presentation changes only.

In May 2011, the FASB issued guidance to amend the accounting and disclosure requirements on fair value measurements. The new guidance limits the highest-and-best-use measure to nonfinancial assets, permits certain financial assets and liabilities with offsetting positions in market or counterparty credit risks to be measured at a net basis, and provides guidance on the applicability of premiums and discounts. Additionally, the new guidance expands the disclosures on Level 3 inputs by requiring quantitative disclosure of the unobservable inputs and assumptions, as well as description of the valuation processes and the sensitivity of the fair value to changes in unobservable inputs. The new guidance will be effective for us beginning January 1, 2012. Other than requiring additional disclosures, we do not anticipate material impacts on our financial statements upon adoption.

Recently Issued Accounting Standards - Continued

In January 2010, the FASB issued guidance to amend the disclosure requirements related to fair value measurements. The guidance requires the disclosure of roll forward activities on purchases, sales, issuance, and settlements of the assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). The guidance will become effective for us with the reporting period beginning July 1, 2011. Other than requiring additional disclosures, the adoption of this new guidance will not have a material impact on our financial statements.

In September 2011, the FASB issued guidance on testing goodwill for impairment. The new guidance provides an entity the option to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If an entity determines that this is the case, it is required to perform the currently prescribed two-step goodwill impairment test to identify potential goodwill impairment and measure the amount of goodwill impairment loss to be recognized for that reporting unit (if any). If an entity determines that the fair value of a reporting unit is greater than its carrying amount, the two-step goodwill impairment test is not required. The new guidance will be effective for us beginning July 1, 2012.

2. Property and Equipment

Property and equipment consist of:

Furniture and fixtures		$ 15,567
Leasehold improvements		17,438
		33,005
Accumulated depreciation		(9,309)
Net fixed assets		$ 23,696

Repairs and maintenance, if any, is charged in the year incurred. Improvements and additions are recorded as assets in the year that the purchases are made.

3. Related Party Transactions

The company, from time to time, will make loans to officers and employees. These loans are interest free if paid in one year. If not paid within the one year, interest is accrued at 5%, from date of original loan. At June 30, 2014 and 2013 $$18,385 and $57,491 is due from the officers', including interest.

4. Income Taxes

The Company has net operating loss carried forwards (NOLs) of $1,567,000 available to offset taxable income in future years which commence expiring in fiscal 2015. Following the merger with Advanced Visual Systems Inc. (Delaware) (see Note 5), the Company acquired net operating loss carry forwards (NOLs) of approximately $2,275,000 which expire in 2013 through 2018. In accordance with IRC Code Section 382, the use of "pre-change" NOLs is limited, in general, to a percentage of the change in entity value of the corporation at the date of change.

The Company is subject to United States federal and state income taxes at an approximate rate of 34%. The reconciliation of the provision for income taxes at the United States federal statutory rate compared to the Company's income tax expense as reported is as follows:

	Pre-acquisition Income	**Post-acquisition Loss**
Income tax recovery at statutory rate	$ (62,000)	$ -
Timing differences	-	
Permanent differences	59,800	$ -
Valuation allowance change	2,200	-
Provision for income taxes	$ -	$ -

5. Notes Payable

The details of short and long-term notes are as follows:

	June 30, 2014	June 30, 2013
Short-term Debt		
The Company has secured a loan from the Small Business Administration (SBA) in the total amount of $102,000. The loan is guarenteed by the chief executive officer, president and president of the major stockholder. The loan has a payment of $634 a month which includes interest at the rate of 4% and a term of 20years.	$ 3,654	$ -
A beneficial shareholder secured a line of credit in its name for the by the Company to meet cash flow needs. Repayment, including interest, is made by the Company in accordance with the terms set by the bank.	7,062	24,230
The Company finances the payment of the insurance premiums. The Company has a monthly payment of $2,136.87 including interest at the rate of 9.319%	7,936	6,070
The Company has entered into a financing arrangement with a financing company. The arrangement allows the Company to borrow against accounts receivables. The Company may borrow up to $200,000 based on 80% of the face amount of receivables pledged. A finance fee of 1.8% per month is charge at the end of each month on the outstanding balance. The financing company has allowed the Company to exceed the borrowing limit for a short time. The balance is currently below the limit.	129,973	116,779
Short-term debt	148,625	147,079
Long-term Debt		
Small Business Administration (SBA) loan - see above.	96,866	-
Long-term debt	$ 96,866	$ -

6. Commitments and Contingencies

The company leases its office space under a non-cancellable lease agreement. The lease expires on May 31, 2016.

On October 2, 2012, the Company entered into a lease agreement for office space in New York City. The lease is jointly held with an unrelated third party. The unrelated third party pays 100% of the monthly rent. The lease expires on September 30, 2020. The future rents due under this lease have been eliminated in the future obligations listed below.

Under the terms of the agreements, future rents are as follows:

2015	$ 40,250
2016	38,500
	$ 78,750

The Company is also responsible for its share of real estate taxes and common charges.

The Company has from time to time exceeded the Federal Depository Insurance Corporation's (FDIC) insured limit of $250,000.

7. Stock Option Plan

On November 9, 2010, the Company adopted a stock option plan for certain employees and other service providers. The plan sets aside 19,990,999 shares for future grants at the current fair market price of the stock being offered to the public. The price set on that date was $.10. The options expire within five or ten years based the grantees affiliation with the Company. The price is determined at 100% or 110% of the current market value per share based on the grantees affiliation with the Company.

The Company granted an option for 100,000 shares to a service provider on March 29, 2011 at a price of $.10 per share and on June 30, 2012, 6,400,000 options were granted to employees in accordance with the Stock Option Plan at a price of $.06. The total value of the shares granted has been recorded in Other Expenses (Income) – Stock Options Granted.

The Company on June 30, 2013 revalued the price of the options to $.01. The original strike prices are higher than the current price of the shares being sold. The cumulative effect on earnings is $329,000.

8. Subsidiaries

On February 15, 2013, the Company elected to close its subsidiary, AVS Europe Ltd. Management determined that the deficit spending by AVS Europe would be detrimental to AVS. On March 26, 2013 a creditors meeting was held and the major vendors of which the largest was AVS, agreed to the liquidation of the Subsidiary within the laws of the United Kingdom that are in effect at this time. The Company has eliminated all intercompany accounts, written off debts to vendors that were discharged.

9. Goodwill Impairment

Goodwill was originally valued at the date of acquisition based on the stock price at that time. Originally, the stock price was $.40 per share and was revalued at June 30, 2010 at the stock value of $.06. Management tests goodwill for impairment annually on June 30, at the reporting unit level using the stock value at that date. Management believes use of the stock price is the most reliable indicator of the fair values of the business.

At June 30, 2013, the stock price was $.01. Upon completion of the fiscal year 2013 test, goodwill was determined to be impaired. Goodwill has been reduced by $4,691,000. This charge was recorded as a reduction to *Additional Paid in Capital*. No change in the value of Goodwill at June 30, 2014.