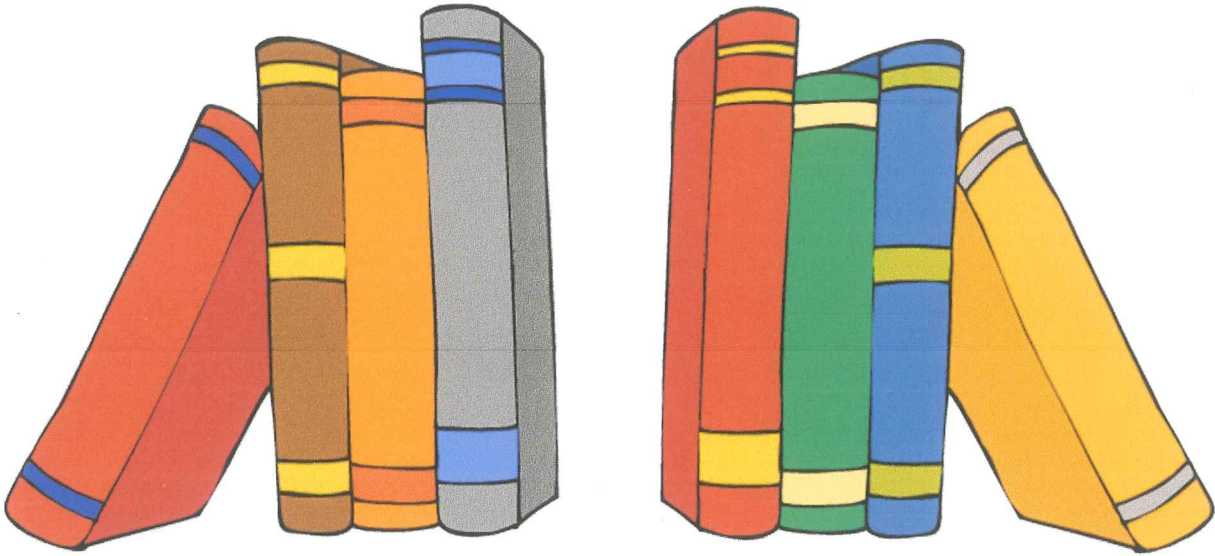
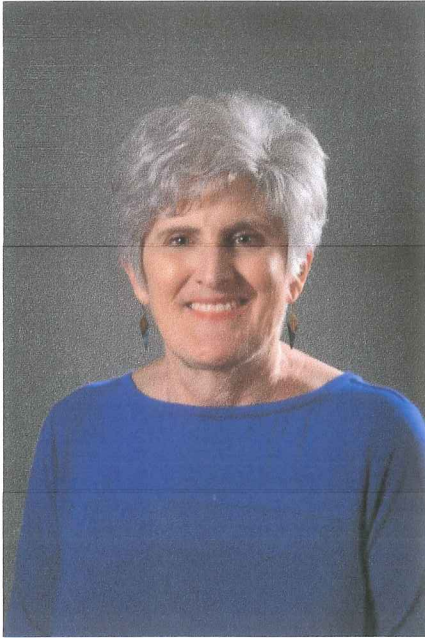


# A Financial Literacy Primer for the Friends of Kentucky Libraries



An interactive workshop exploring the internal controls appropriate for a very small nonprofit

*Presented by  
Martha A Nest, EA  
November 17, 2018*



## Martha Nest

Martha is an Enrolled Agent whose practice is located in Bardstown Kentucky. She offers tax planning and preparation for individuals and small businesses all over the US and presently works with over three hundred clients in approximately 20 states. Martha was awarded the National Association of Tax Professionals most prestigious award, "Tax Professional of the Year" in 2012 recognizing her service to Community, Profession and NATP. She has been a member of NATP since 1998 and currently serves as Vice President & Education Chair of the Kentucky Chapter. Martha retired from the Coast Guard Reserve in 1993, opened her practice on a full time basis in 1997, and has been an Enrolled Agent since 2005. She is also the President of the Democratic Woman's Club of Nelson County, a member of the Democratic Executive Committee in Nelson County, serves as Treasurer of My New Kentucky Home Habitat for Humanity and the Democratic Woman's Club of Kentucky; is a Board Member of the Humane Society of Nelson County and the Nelson County Branch of NAACP; and a member of Kiwanis and the Nelson County Chamber of Commerce.

This primer is meant to help you understand your rights and responsibilities during your service to a non-profit organization so that you can be a productive and effective member of your Friends Group, thus making your service as meaningful and as rewarding as possible.

This guide is not a substitute for legal advice. While the Commonwealth of Kentucky has no state requirements for audits or reviews of non-profits, I strongly recommend that all organizations that operate in the non-profit arena have either annual or bi-annual reviews of their books and records by an outside resource that is not a board member or officer of the non-profit.

So having made the two statements you have just read, how do we accomplish this? Let's look first at what you need to know as a board member or officer of your local Friends organization and then we will explore how to implement procedures that will ensure the viability of your Friends Groups.

### *Your Duties as a Member or Officer*

While the "chores" involved in the day-to-day activities are usually delegated to specific persons, it is your responsibility to ensure that your organization is faithfully fulfilling its purpose –

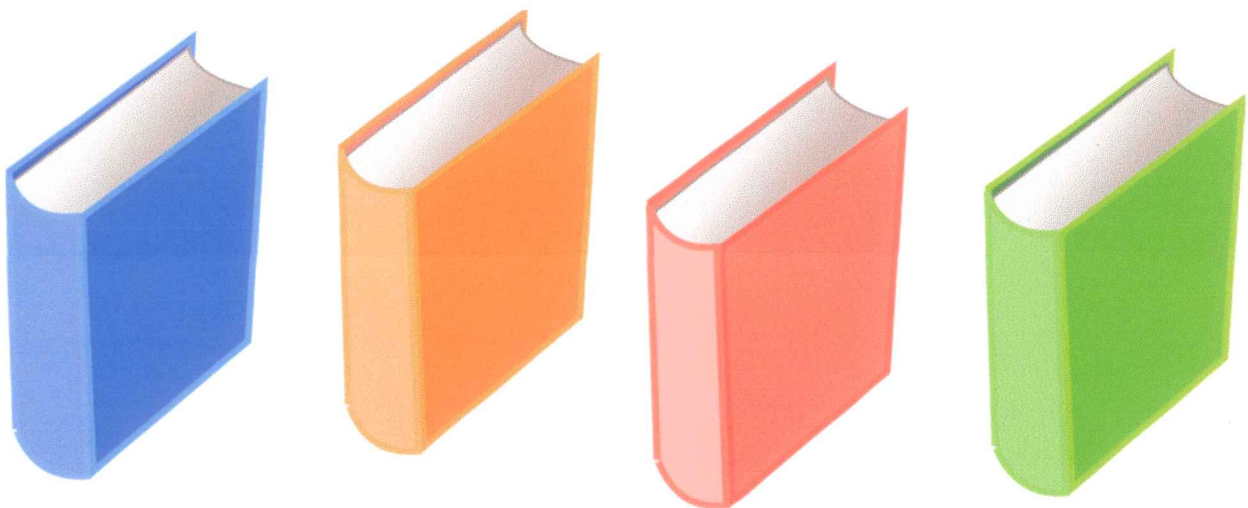
- you should keep copies and read the organization's operating agreement between the library and your Friends Group; understand your Friends Group mission statement and read and comply with the by-laws or practice management rules of your Friends Group
- attend the meetings of your Group and actively participate – don't leave the running of the organization to a "favored few"
- you need to ensure that complete and accurate records of your group's activities are kept including minutes of meetings and books of accounts
- read carefully all the materials you receive such as minutes, reports and financial statements
- you should actively participate in selecting and evaluating the people that you choose to lead your Group and review their performance on an annual or bi-annual basis
- as a member or officer of Friends of the Library Group, you have a duty to act in the interest of the Group. You need to avoid transactions where family members benefit personally unless such transactions are fair to the Group and approved by the full board
- you are responsible for insuring that the monies you raise are used only to promote the mission of your Group

- you should require and review financial reports such as income and expense statements and budget status reports (if you set budgets) from the person charged with the financial operation of the Group
- if in your mission statement or financial management outline you allowed for restricted gifts or funds that they are used only for the purpose for which they are donated and that the financial director or treasurer is keeping separate track of these funds
- make sure that no transfer directly or indirectly benefits any member or officer unless the transfer is fair to the Group and properly approved
- make sure that no member or officer with influence over the organization receives a benefit from the Friends Group that is beyond its fair market value

### *Your rights as a Member or Officer*

As a member of a Friends Group, you must be able to make informed judgements about important matters affecting the organization. According to law, you are entitled to reasonably rely on information, including financial statements, from the officers. If you feel that you do not have adequate information to make an informed judgement, then you have a right to ask for it.

- you have a right to request reasonable access to books and records of your Group
- you have the right, if necessary, to seek legal or financial advice at the Group's expense if you feel it is necessary





## *Establishing Internal Controls for the Very Small Non-profit*

It is difficult to implement in an organization that probably has no staff and is an all-volunteer organization with only a few active board members or officers, but the following five most important internal controls are do-able for all small groups:

1. The first and most important consideration is to set the *control environment*. Let everyone know from the top down that there are policies in place and everyone has to follow the policies. In so many small organizations, the top person makes exceptions for himself or herself about policies which set a sloppy or unethical tone. The other people don't think they have to follow procedures and they start cutting corners. The top person can't ask for reimbursement for anything for which they don't have a receipt. All expenditures should have prior approval.
2. *Define clearly who is responsible for what*. It's very common in small organizations where not as much needs to be written down for people to say, "I thought she was going to check the invoice." For example, with invoices, who is responsible for checking the math? Who is responsible for approving the expense to be paid?
3. *Physical Controls*. Lock it up!!! Equipment should be locked up and any computers, etc., should be protected with passwords [and more than one person should know the password]. Put checks in a locked drawer. There are too many cases where someone uses and/or takes checks from the middle of the checkbook. Make sure all checks are in numerical order and that the expense report identifies all expenditures by check number or cash.
4. *Cash Controls*. If there is cash involved – have two people count all the cash together and have someone else watching them.
5. *Reconciling the Bank Statement*. In a very small non-profit, this is a very crucial step. It's very unlikely that someone is going to steal from you and run away forever. Reconciling the bank statement means the embezzlement can't go on for very long.

Someone other than the bookkeeper or treasurer [or whoever handles the money] should reconcile the bank account from an unopened statement. If you only use downloaded statements then the password to download the bank statement and review it at any time should not be in the possession of nor created by the person who handles the money. *{I personally recommend that all small non-profits have the bank statement mailed to someone other than the person who handles the money}*. That's a strong check on the person who handles the money. In a small non-profit there may be only one person who does everything. In these instances, someone else should at least receive the unopened bank statement and look it over before giving it to the treasurer or the sole person handling the money.

### Checklist for Examining the Monthly Bank Statement

- ✓ Open them and look at them!
- ✓ Look at the cancelled checks – are there missing check numbers
- ✓ If you print your checks on a printer – look to see why there are hand-written checks
- ✓ Look at the signatures – in many small business fraud cases the bookkeeper forges one or more signatures. Go ahead and sign a check as “Mighty Mouse” and see if the bank processes it – I bet they do.
- ✓ Look at the vendors you paid and make sure that you recognize them and that you have an approved invoice for the expenditure
- ✓ Look for direct debits – make sure you have paperwork to substantiate them
- ✓ Look at the deposits – do they match the money you collected for different fund raising activities?
- ✓ If your organization uses credit cards – follow the same procedure that you do on the bank statements!

### Other Controls that may be appropriate

- *Payroll* – if you are large enough to have payroll, it is easy in a small organization to control payroll because everybody knows everybody and it’s harder to create fictitious employees and pay them. The one area for attention is approval of timesheets for people working on an hourly basis. In these cases someone who knows what work they did should review and approve timesheets.
- *Two signatures on checks or on large checks* – This is ok as a policy as long as you know banks don’t enforce this policy nor can you hold them liable for a check that goes through with only one signature. Two signatures is a good policy so that someone sees the big checks, but it’s more about setting the right tone than preventing theft.
- *The person handling money not allowed to sign checks* – Treasurers should not sign checks. But in a really small organization this may not be practical. One approach is to allow the Treasurer [or the person who handles the money] to sign small emergency checks for things that have not been approved for no more than \$100 or \$200. If everybody knows this rule, it helps to set a tone of

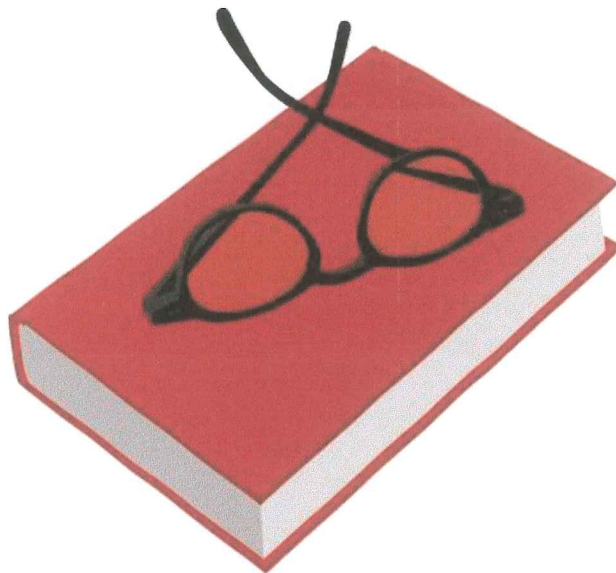


accountability. And again, it will be caught by the person who does the bank reconciliation.

In even the smallest organization, there can be another person who looks over things periodically, checking whether an expense was too high, was legitimate, etc. If you combine this with an atmosphere and environment that emphasizes following procedures and high standards of accountability, you still may not be able to prevent theft completely; but you'll prevent honest people from crossing the line, and you'll catch anything before it gets too serious.

### *Practical Recommendations from other Non-Profits*

- If you decide to implement a new set of internal controls and your treasurer [or the person who handles the money] gets insulted – *FIRE HIM OR HER IMMEDIATELY and conduct an internal audit.*
- Even though you are an all-volunteer organization, do not let down your guard and allow internal control weaknesses to threaten your organization. The number one internal control is segregation of duties. EVERYONE makes mistakes. Your goal is to design a process where mistakes are minimized.
- Banks require their tellers and officers to take time off so that their work can be reviewed when they are not present. One huge red flag of fraud is the person who has been the Treasurer [or person who handles the money] for "life" and guards the books and records like a hawk.
- Consider having your bank statement reconciliations delivered unopened to a bookkeeper or a small company that provides business services to the local community and have them do the reconciliation for a small fee.



## Treasurers of All Volunteer Organizations - Eight Key Responsibilities

More than half of the non-profits in the United States are estimated to be all-volunteer organizations. All volunteer organizations are among the most important and most invisible building blocks of our communities. To do this, all-volunteer organizations raise and use substantial funds. Each organization has at least one volunteer counting the cash, writing checks, safeguarding financial integrity and managing funds soundly.

What do we mean by an "all-volunteer organization"? While they range from small, relatively informal non-profits to more formal, affiliated organizations, they share the following common attributes:

- Most all-volunteer organizations are managed by a board of directors or a core group of which one member is a "hands on" Treasurer who writes checks, makes deposits and provides financial reports to the board.
- Most do not have employees, although they may pay people for some non-managerial work and they are typically classified as independent contractors rather than employees.
- Some all-volunteer organizations have permanent locations [such as the library for a Friends of the Library] many do not and meetings and documents move from home to home as officers change.
- Because most all-volunteer organizations have an informal air about them, it's easy for finances to be treated in a casual way. But when money matters are treated casually, it can become too easy for money to get lost, or for some people to question how money was spent or even for individuals to take advantage of the informality and pilfer cash or other assets.

So as the Treasurer of an all-volunteer organization, what accountability and transparency issues should you be most concerned with?

1. **Handle the money with high standards and set a tone of integrity.** Close oversight of cash, checks and deposits is vital. If you can't always be present when money is changing hands, be visible enough that others know you are engaged. These few essential rules should be following:
  - ✓ the treasurer should write checks OR receive and reconcile the bank statement but not both
  - ✓ in-coming checks should be endorsed immediately, preferably with a bank stamp
  - ✓ out-going checks must be supported by an approved invoice, receipt or voucher. If a fellow volunteer asks for a reimbursement but doesn't have a receipt respond "*I wouldn't be doing my job as Treasurer if I didn't insist on receipts from everyone*"



- ✓ checks should require two signatures and never be signed in advance. Alternatively, the board might set a policy that permits one signature for small checks in order to help discourage checks from being signed in advance
- 2. **Manage the filings.** If your organization is registered with IRS, keep a calendar of filing requirements and assign responsibility. Late fees and penalties can be very costly.
- 3. **Identify and manage risk.** Take the lead in safeguarding your organization's assets, data and personal information.
- 4. **Confirm Contributions.** A prompt thank you letter that includes what donors need for tax purposes is an effective way to keep your contributors up to date on the great work you are doing. This is mandatory for all donations of \$250 or more for the year. The IRS says it is ok to send this information via email. These letters must include the name and address of the non-profit and the name and address of the donor. The following paragraph must be in the letter:

"we wish to thank you for your 2018 contribution in the amount of \$250. We did not provide any goods or services in exchange for this contribution. Friends of the Library is an organization exempt under Section 501(c)(3) of The Internal Revenue Code and contributions are deductible to the extent allowed by law".

If you provided the donor with goods or services as part of the contribution, you need to delete the above paragraph and substitute the following indicating the value, etc.

"we provided you with two books with a fair market value of \$50. Your tax deduction is limited to the amount of cash and value of any property contributed, reduced by the value of any goods or services received in return. Therefore, the amount eligible for a federal income tax deduction is \$200."

- 5. **Track Volunteer Time.** Tracking volunteers can help protect volunteers and the non-profit from certain forms of liability and provide helpful data for planning future programs and events. If you intend to seek grants, you will want to reflect the value of volunteers in your budget and grant proposals.
- 6. **Plan and Evaluate with a budget.** A budget is a map that shows what you plan to do and how you plan to get there. In informal all-volunteer organizations where internal controls are often lacking, the budget is the canary in the coal mine. An unexplained variance between a budgeted and actual line item of revenue or expense may be the first red flag signaling a more serious problem.

7. **Prepare timely Financial Reports.** For organizations with minimal cash flow or whose finances revolve around a single event, paper-based record keeping may be acceptable. A template Treasurer's report with blanks for handwritten amounts can be just as effective as a computer-based system if the figures can be easily traced to supporting documents and are presented clearly. For such organizations, a simple monthly reconciliation of bank account activity classifying receipts and disbursements and reconciling beginning to ending cash balances may be enough to form the basis for a summarized quarterly financial report to the board.
8. **Recruit the next Treasurer.** The treasurer should not serve indefinitely. Some all-volunteer organization treasurers entrench themselves and resist transfer of control. This should be discouraged [term limits?]. When looking at your organization and its missions, make provisions for this to happen so there is the least amount of disruption in the smooth operation of your organization.

*Practical Recommendations from other Non-Profits*

- The Duties of the Treasurer should be separated from the Accounting [or bookkeeping functions].
- The Treasurer should not have dual duties such as a President/Treasurer or Treasurer/Secretary
- No matter how small the organization, the organization should have a Federal EIN for banking purposes. *Do not let the treasurer or other officer use their social security number on the banks account.* If they do, IRS will consider that money to be income to person whose social is on the account. You can obtain an EIN without charge on the IRS website. Go to [irs.gov](http://irs.gov) and go to Business and go to Apply for an EIN.
- Remember that if you are not registered as either a 501(c)(3) or another 501(c) organization, donations to your organization are not considered tax-deductible.



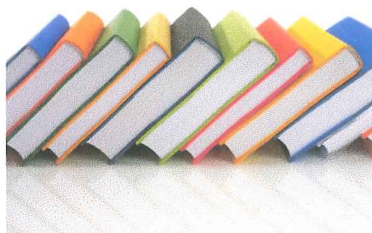


## *Non-profit Embezzlement – More Common & More Preventable Than You Think*

Embezzlement – fraud committed by employees and volunteers – is especially painful in community non-profits. Not only is real damage done to your organization, but you feel that your cause has been betrayed by someone you trusted and liked. You worry that donors and grant-makers will be less likely to give you money if they hear about it. Embezzlement is so often kept quiet in non-profits; you think you are the only one who has experienced it. This is completely wrong.

So let's look at the ways to prevent some of the most common types of non-profit embezzlement and how to deal with them:

- **Theft of Property** – lock it up. Locks keep honest people honest.
- **Theft of the organization's checks** – never leave a blank, signed checks around. Lock up checks. Have someone other than the check-signer physically open the bank statements and reconcile them every month. Purchase fidelity bond insurance.
- **Theft of checks from donors or members** – a non-profit with the same acronym (say ABC) had a member open a business account with the same acronym and deposit donation checks in them and then sending out thank you letters on the non-profit letterhead. Discovered at \$60,000. Prevention step was to have two people physically open the mail together and record incoming checks.
- **Theft of cash from special events** – insist that everyone use a shared cash box throughout the event rather than their own pockets or envelopes until the end. Count the cash box with two people present. Keep an eye out and don't hesitate to say "*Hey I know it's faster to make change out of your own pocket and turn it in later, but we're supposed to use the cash box – it's a pain but we'd better do it.*"
- **Improper checks or signature cards signed by a busy executive director or board member who doesn't look while signing them** – Make sure there is an invoice or reimbursement voucher attached to each check and that it is authorized to be paid. Occasionally pick out a large check and make sure the expense was authorized by the appropriate persons.
- **Payments to fictitious employees, un-authorized raises and non-submission of payroll taxes** – If you have even one employee – use a payroll service and have a copy of the payroll register sent to the Treasurer!!!!





### *Five Common Myths About Embezzlement in Community Non-Profits*

- **It hardly ever happens to non-profits so we don't have to worry much** – it is more common than you think because it is often kept quiet.
- **Mrs. X is the most dedicated, honest, sweetest person I've ever met** – the only people who steal are the people we trust because if we didn't trust someone, we wouldn't give him or her the easy opportunity to steal.
- **Everyone who volunteers/works here is a really good person** – most people who embezzle from non-profits convince themselves that they are "just borrowing" the money. In other words, people who do bad things don't think of themselves as bad and as a result don't come across to others that way either.
- **We don't have enough volunteers [or staff] to have financial controls** – yes you do. It only takes two people to establish financial controls
- **Audits and Reviews catch embezzlement and fraud** – auditors do catch embezzlers [although auditors explicitly state that an audit is not designed to find fraud] and having an audit may deter embezzlers, but there is no guarantee.

### *Practical Recommendations from other Non-Profits*

- Don't keep it quiet. Report it to the police and issue a statement about what happened and what you are doing to correct it.
- Set a tone of financial controls and accountability and thus a tone of ethics and accountability to your donors.
- Do not make personal purchases on the same receipt that you are purchasing items for your organization. Forbid this practice in your policies and procedures
- When you find an impropriety tell the truth to the Board and if they don't want to listen – just leave. The buck stops with them.
- Remember it is not always a fairy-tale ending when you try to do the right thing.
- Make sure that you receive every donated item you request from a vendor or a person. Make sure Board Members are not using these donated items for their own use and telling the organization they were not received.
- If you are large enough, consider doing background checks on the board and key volunteers and make sure you are adequately insured to cover dishonesty.



## *Financial Literacy for Non-Profit Boards*

Non-Profit Boards need up-to-date financial information to make informed decisions. But not every board member has a familiarity with financial reports. Help your board with this. Here are a few practice pointers to make sure everyone is on the same page!

- Consider asking a well-respected CFO or bookkeeper from another non-profit in the community to make a short non-profit budgeting presentation for your board during a board meeting.
- Board members are fiduciaries for the non-profits assets and have a responsibility to ensure that the assets are not misused.
- Have the board member or officer who is responsible for tracking and handling finances give a short presentation to the board so that everyone is on the same page and understands the reports they are receiving.
- If someone reports concerns about the non-profits financial management make sure that he/she is protected by your whistleblower policy.
- If your organization files an IRS form 990 or 990-EZ – have the person who prepared it go over it with the board so they understand it!
- Consider hiring an independent auditor [if you are large enough] to do a financial review or compilation of your books and records at least every two years or so.
- If you are not large enough to have an independent auditor do a review, at least hire a bookkeeper or a tax accountant that is familiar with non-profits to take a look at your books and records to see if there are any improprieties.





# NATIONAL COUNCIL OF NONPROFITS

National voice. State focus. Local impact.

## Sample Whistleblower Protection Policy

{Organization's name} requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the {Organization's name}, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

### Reporting Responsibility

This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns internally so that {Organization's name} can address and correct inappropriate conduct and actions. It is the responsibility of all board members, officers, employees and volunteers to report concerns about violations of {Organization's name}'s code of ethics or suspected violations of law or regulations that govern {Organization's name}'s operations.

### No Retaliation

It is contrary to the values of {Organization's name} for anyone to retaliate against any board member, officer, employee or volunteer who in good faith reports an ethics violation, or a suspected violation of law, such as a complaint of discrimination, or suspected fraud, or suspected violation of any regulation governing the operations of {Organization's name}. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

### Reporting Procedure

{Organization's name} has an open door policy and suggests that employees share their questions, concerns, suggestions or complaints with their supervisor. If you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with [insert here another title, such as Executive Director, or a board member, if the organization is very small and involving the board would be appropriate]. Supervisors and managers are required to report complaints or concerns about suspected ethical and legal violations in writing to the {Organization's name}'s [Compliance Officer] [or designated employee or board member], who has the responsibility to investigate all reported complaints. Employees with concerns or complaints may also submit their concerns in writing directly to their supervisor or the Executive Director or the organization's Compliance Officer [or other designated person].

### Compliance Officer [or other title that is appropriate for your organization]

The {Organization's name}'s [Compliance Officer] is responsible for ensuring that all complaints about unethical or illegal conduct are investigated and resolved. The Compliance Officer will advise the [Executive Director and/or the Board of Directors] of all complaints and their resolution and will report at least annually to the [Treasurer/Chair of the Finance Committee/Audit Committee] on compliance activity relating to accounting or alleged financial improprieties.

### Accounting and Auditing Matters

The {Organization's name}'s [Compliance Officer] shall immediately notify the Audit Committee/Finance Committee of any concerns or complaint regarding corporate accounting practices, internal controls or auditing and work with the committee until the matter is resolved.

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This information is for educational and informational purposes only and should not be considered legal or other professional advice for specific matters. Prior to adopting this sample document for their own use, nonprofits should seek the advice of their own professional advisors.



# Friends of the Library Voucher

*To be completed by Treasurer*

Voucher Number: \_\_\_\_\_

Date: \_\_\_\_\_

Check Number: \_\_\_\_\_

Check Payable to: \_\_\_\_\_

Amount of Check: \$ \_\_\_\_\_

Invoice/Receipts Attached

Purpose:

Monthly Expenses: \_\_\_\_\_ [indicate account – i. e. rent, etc)

Other: \_\_\_\_\_ [indicate account]



Check signed by:

Secretary: \_\_\_\_\_ Date: \_\_\_\_\_

President: \_\_\_\_\_ Date: \_\_\_\_\_

Expenditure Approved by:

Board: \_\_\_\_\_ Date: \_\_\_\_\_

President's Authorization: \_\_\_\_\_ Date: \_\_\_\_\_

Treasurer: \_\_\_\_\_ Date: \_\_\_\_\_

## Lead Kentucky

### Income Statement January - December 2017

#### Revenue

Board Donations	700	
Applicant Fees	850	
Donations	1,061	
<b>Gross Revenue</b>		<b>2,611</b>

#### Expenses

Secretary of State Fees	15	
Bank & PayPal Service Fees	24	
Insurance	411	
Legal & Professional Fees	275	
Supplies for Seminar	258	
Seminar Parking - UofL	160	
Seminar Housing - UofL	297	
Seminar Meals - UofL	590	
Miscellaneous Reimbursement	(7)	
Advertising	194	
Web Page	66	
<b>Total Expenses</b>		<b>2,283</b>

**Net Operating Income** **328**

#### Other Revenue

Carryover from 2016	1,068	
<b>Total Other Income</b>		<b>1,068</b>

#### Other Expenses

PayPal Transfer	59	
<b>Total Other Expenses</b>		<b>59</b>

**Net Revenue (Loss)** **1,337**

## NATP Financial Report Form

Chapter: KENTUCKY

1	Balance for Period Beginning 04 /01 / 2016		1	14541.56
2	Advertising	2		
3	Annual Meeting & Conference	3		\$4,640.00
4	Education Workshops	4		\$4,570.00
5	Exhibitors	5		
6	Interest Income	6		\$1.33
7	Membership Dues from National	7		\$1,731.00
8	Regional Conference	8		
9		9		
10		10		
11	TOTAL RECEIPTS	Add lines 2 through 10	11	10942.33
12	TOTAL CASH AVAILABLE	Add lines 1 and 11	12	25483.89
13	Annual Meeting & Conference	13		\$5,661.60
14	Board Meetings	14		\$87.20
15	Education Workshops	15		\$1,715.45
16	Membership Recruiting	16		
17	Officers, Directors, Committees Expenses	17		\$1,976.45
18	Printing & Photocopies	18		
19	Rent	19		\$373.62
20	Stationery, Supplies, Postage, Misc.	20		
21	Bank Service Charges	21		\$145.31
22	Charitable Contributions	22		\$250.00
23	Registration Fees	23		\$15.00
24	TOTAL DISBURSEMENTS	Add lines 13 through 23	24	10224.63
25	EXCESS OF RECEIPTS OVER/UNDER DISBURSEMENTS FOR PERIOD ENDING / / 20	Line 12 minus Line 24	25	15259.26
A	Cash on Hand	A		
B	Checking Account Balance	B		\$15,259.26
C	Invested Funds (identify and attach statement)	C		
D	Savings Account Balance	D		
E	TOTAL FUNDS AVAILABLE FOR FUTURE USE	Add lines A through D	E	15259.26

Christopher Russell  
Chapter Treasurer Signature

04/30/17  
Date Signed

This Financial Report is **due 30 days after Chapter's fiscal year ends**. Please send a copy of **Form 990 to your Chapter Compliance Dashboard**. If Form 990 is not filed when this report is due, please upload a copy of the form to the Chapter Compliance Dashboard as soon as it is filed.

Completed forms are to be submitted on the Chapter Compliance Dashboard.



**Friends of the Library**  
**Balance Sheet**  
as of December 31, 2018

	<b>2018</b>
<b>Assets</b>	
Current assets:	
Cash	10,008.00
Investments	
Inventories	
Accounts receivable	-
Pre-paid expenses	
Other	-
Total current assets	\$ 10,008.00
Fixed assets:	
Property and equipment	558.00
Leasehold improvements	
Equity and other investments	-
Less accumulated depreciation	
Net fixed assets	\$ 558.00
Other assets	
Goodwill	-
Total other assets	-
<b>Total assets</b>	<b>\$ 10,566.00</b>
<b>Liabilities and owner's equity</b>	
Current liabilities:	
Accounts payable	325.00
Accrued wages	
Accrued compensation	-
Income taxes payable	-
Unearned revenue	-
Other	-
Total current liabilities	\$ 325.00
Long-term liabilities	
Note payable	-
Total long-term liabilities	-
Equity	
Investment capital	1,000.00
Accumulated retained earnings	9,241.00
Total owner's equity	\$ 10,241.00
<b>Total liabilities and stockholders' equity</b>	<b>\$ 10,566.00</b>

prepared by Martha A Nest, EA  
December 31, 2018