

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

ENERKON SOLAR INTERNATIONAL, INC.

A NEVADA Corporation

ADDRESS: 13620 WEYBURN DR
DELRAY BEACH, FL 33446

PHONE: 561-431-7762

WEBSITE: ENERKONINTERNATIONAL.COM

EMAIL: INFO@ENERKONINTERNATIONAL.COM

SIC CODE: 22114 SOLAR ELECTRIC POWER GENERATION

Quarterly Report

For the Period Ending: 06/30/2019

(the "Reporting Period")

Fiscal Year Ending 09/30/XXXX

As of Quarter Ending 06/30/2019, the number of shares outstanding of our Common Stock was:

65,610,510

As of Quarter Ending 03/31/2019, the number of shares outstanding of our Common Stock was:

65,610,510

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes:

No: (Double-click and select "Default Value" to check)

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:

No:

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes:

No:

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

CASTLE HOLDING CORP UNTIL NAME CHANGE TO ENKERKON SOLAR INTERNATIONAL, INC. ON 10/31/2017,
TICKER SYMBOL CHANGE FROM CHOD TO ENKS ON 11/03/2017

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable)
Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

DATE: JUNE 13, 1986
STATE: NEVADA
STATUS: ACTIVE/GOOD STANDING

Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: No:

2) Security Information

Trading symbol: ENKS
Exact title and class of securities outstanding: COMMON STOCK
CUSIP: 29278K 109
Par or stated value: \$ 0.0025

Total shares authorized: 200,000,000 as of date: 06/30/2019
Total shares outstanding: 65,610,510 as of date: 06/30/2019
Number of shares in the Public Float²: 15,112,000 as of date: 06/30/2019
Total number of shareholders of record: 105 as of date: 06/30/2019

Additional class of securities (if any):

Exact title and class of securities outstanding: CLASS A CONVERTIBLE PREFERRED-NON TRADING
CUSIP: N/A—NON TRADING
Par or stated value: \$ 0.01
Total shares authorized: 1,000,000 as of date: 06/30/2019
Total shares outstanding: 522,250 as of date: 06/30/2019

Exact title and class of securities outstanding: CLASS B PREFERRED-NON TRADING
CUSIP: N/A—NON TRADING
Par or stated value: \$ 0.01
Total shares authorized: 100,000 as of date: 06/30/2019
Total shares outstanding: 100,000 as of date: 06/30/2019

Transfer Agent

Name: STANDARD REGISTRAR AND TRANSFER AGENT
Phone: 801-571-8844
Email: INFO@STANDARDREGISTRAR.COM

Is the Transfer Agent registered under the Exchange Act?³ Yes: No:

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

NONE

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

NONE

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

Number of Shares outstanding as of <u>FY 09/30/2017</u>		*Right-click the rows below and select "Insert" to add rows as needed.							
<u>Opening Balance:</u> Common: <u>51,182,510</u> Preferred A: <u>522,250</u> Preferred B: <u>100,000</u>									
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
<u>10/01/2018</u>	<u>NEW</u>	9,428,000	<u>COMMON</u>	<u>0.0025</u>	<u>YES</u>	<u>J. CAPELLO</u>	<u>DEBT CONV</u>	<u>UNRESTRICTED</u>	<u>144(a)</u>
<u>11/01/2018</u>	<u>NEW</u>	<u>1,000,000</u>	<u>COMMON</u>	<u>0.0025</u>	<u>YES</u>	<u>EXCELSIOR CONSULTING</u>	<u>PROFESSIONAL SERVICES</u>	<u>RESTRICTED</u>	<u>N/A</u>
<u>11/02/2018</u>	<u>NEW</u>	4,000,000	<u>COMMON</u>	<u>0.0025</u>	<u>YES</u>	<u>STREAMWORX LLC</u>	<u>MEDIA SERVICES</u>	<u>RESTRICTED</u>	<u>N/A</u>
Shares Outstanding on <u>06/30/2019</u> :		<u>Ending Balance:</u> Common: <u>65,610,510</u> Preferred A: <u>522,250</u> Preferred B: <u>100,000</u>							

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2018, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2016 through September 30, 2018 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe any issuance of promissory notes, convertible notes or convertible debentures in the past two completed fiscal years and any subsequent interim period.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
12/1/16	0.00	15,000	8,875	10/01/19	PAR VALUE 0.0025	J. CAPELLO	LOAN
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above:

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- U.S. GAAP
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: **BENJAMIN BALLOUT**
Title: **CEO/CFO**
Relationship to Issuer: **OFFICER**

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
D. Statement of income;
E. Statement of cash flows;
F. Financial notes; and
G. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below.

N/A

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The Company is engaged in the construction of industrial and commercial Solar Power Utility Scale Plants in a Turkey, Mozambique, Egypt, China, and the United States. The Company's work is performed under a cost plus-plus-fee contracts, as well as participation in long term profit sharing or revenue stream participation.

- B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

Global Star Holdings Limited (incorporated 2006 Hong Kong SAR China);
Global Star Holdings Replaced İnşaat ve Mühendislik Co. ("Mertokon"), founded
in 2001, which had completed various projects in Turkey since its inception

Previous, Subsidiary Companies are no longer owned By Enerkon Solar International Inc. due to Divestment after the February 8, 2018 share exchange agreement with previous management as per notations disclosed in Form 8K Supplemental information filed with the SEC and posted on the OTC Disclosure Page.

On February 8, 2018 the Company entered into a share exchange agreement with Enerkon Solar International, Inc. (Incorporated in Florida, September 28, 2016). The Company engages in Utility Scale PV Power Plants and renewable systems, with a particular focus on the Middle East, China, USA and Africa.

- C. Describe the issuers' principal products or services, and their markets

The Company is engaged in the construction of industrial and commercial Solar Power Utility Scale Plants in a Turkey, Mozambique, Egypt, China, and the United States. The Company's work is performed under a cost plus-plus-fee contracts, as well as participation in long term profit sharing or revenue stream participation.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Delray Beach, Florida—The Company leases its US Corporate headquarters in in Delray Beach, Florida, which is approximately 3,000 square feet.

Guangdong Province, China and comprise 3,000 square feet, leased monthly.

Maputo Mozambique are 1,000 square feet representative offices, leased monthly.

7) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information regarding any person or entity owning 5% of more of the issuer, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>BENJAMIN BALLLOUT</u>	<u>OFFICER/DIRECTOR</u>	<u>13620 WEYBURN</u> <u>DELRAY BEACH,</u> <u>FL 33446</u>	<u>33,000,000</u>	<u>COMMON</u>	<u>50.3%</u>	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

NONE

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

NONE

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

NONE

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

NONE

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

NONE

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: JOHN T. ROOT JR.
Firm: JOHN T. ROOT JR.
Address 1: PO BOX 701
Address 2: GREENBRIER, AR 72058
Phone: 501-529-8567
Email: J.ROOT.5013@GMAIL.COM

Accountant or Auditor

Name: INTERNALLY PREPARED BY COMPANY
Firm: N/A
Address 1: _____
Address 2: _____
Phone: 561-431-7762
Email: INFO@ENERKONINTERNATIONAL.COM

Investor Relations Consultant

Name: NONE
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Other Service Providers

Provide the name of any other service provider(s), including, counsel, advisor(s) or consultant(s) **that assisted, advised, prepared or provided information with respect to this disclosure statement**, or provided assistance or services to the issuer during the reporting period.

Name: NA
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Name: NA
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Benjamin Ballout certify that:

1. I have reviewed this Quarterly Disclosure Statement of Enerkon Solar International, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

08-14-19 [Date]

/s/ BENJAMIN BALLOUT CEO

Principal Financial Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Benjamin Ballout certify that:

1. I have reviewed this Quarterly Disclosure Statement of Enerkon Solar International, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

08-14-19 [Date]

/s/ BENJAMIN BALLOUT CFO

ENERKON SOLAR INTERNATIONAL , INC.
BALANCE SHEET
3RD QRT ENDING 06/30/2019

3RD QRT YTD
06/30/2019

(Unaudited)

ASSETS

Current Assets

Cash	109,720,325
Accounts Receivable	
Inventory	7,180,192
Other Assets	799,865
TOTAL CURRENT ASSETS	117,700,382

FIXED ASSETS

Land	3,277,446
Buildings	2,307,463
Furniture & Equipment	337,909
Computers	119,433
Vehicles	1,438,494
TOTAL FIXED ASSETS	7,480,745

OTHER ASSETS

Deposits	376,000
TOTAL ASSETS	125,557,127

LIABILITIES

Current Liabilities

Accounts payable	2,819,756
Taxes Payable	9,680,500
Accrued Employee Payroll Benefits	285,525
Other Current Liabilities	1,200,000
Notes Payable	12,592
Deferred Revenue	87,200,405
TOTAL CURRENT LIABILITIES	101,198,778

LONG TERM LIABILITIES

TOTAL LIABILITIES	107,698,928
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STOCKHOLDERS' EQUITY

Common stock, \$0.0025 par value, 200,000,000 authorized, and 65,610,510 shares issued and outstanding	164,026
Class A Convertible Preferred Stock, \$.01 Par Value, Authorized 1,000,000 shares, issued and outstanding shares 522,250	5,223
Class B Preferred Stock, \$.01 Par Value, Authorized 100,000 Shares, shares issued and outstanding 100,000	1,000
Treasury Common Stock, 588,800 @ Cost	(32,620)
Additional Paid in Capital	1,962,730
Retained Earnings	15,757,840
TOTAL STOCKHOLDERS' EQUITY	17,858,199
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	125,557,127

The accompanying notes are an integral part of these financial statements

ENERKON SOLAR INTERNATIONAL , INC.
STATEMENTS OF OPERATIONS
3RD QRT ENDING 06/30/2019

(Unaudited)

	<u>3rd QRT 04/01/2019 THRU 06/30/2019</u>	<u>3RD QRT YTD 06/30/2019</u>
REVENUES	13,701,050	40,900,120
LESS COST OF GOODS SOLD	5,746,189	22,147,963
GROSS PROFIT	7,954,861	18,752,157
EXPENSES		
Administrative expenses	132,552	150,502
Salaries & Wages	449,006	4,801,251
Rent	29,617	80,042
Professional fees	7,544	40,214
Interest Expense/Bank Fees	14,096	30,000
Repairs & Maintenance	21,606	70,012
Utilities	21,492	81,450
Depreciation Expense	108,737	621,291
Taxes	2,099	33,142
Equipment Leases	27,676	750,005
Insurance	8,205	60,125
TOTAL EXPENSES	822,630	6,718,034
NET (LOSS) INCOME FROM OPERATIONS	7,132,231	12,034,123

The accompanying notes are an integral part of these financial statements

ENERKON SOLAR INTERNATIONAL , INC.
STATEMENTS OF CASH FLOWS
3RD QRT ENDING 06/30/2019
(Unaudited)

(Unaudited)	3rd QRT 04/01/2019 THRU 06/30/2019	3RD QRT YTD 06/30/2019
OPERATING ACTIVITIES		
Net (loss) Income	7,132,231	12,034,123
Adjustment to reconcile net loss to cash used by operations:		
Cash Deposit Advance on Projects		
Stock based compensation, management services		
Amortization/Depreciation/Interest	108,737	621,291
Prepaid Expenses/Deposits		
Accounts Receivable		
Accounts Payable/Notes Payable/Other Payables	16,137,895	17,848,954
Net cash (used) for operating activities	<u>23,378,863</u>	<u>30,504,368</u>
FINANCING ACTIVITIES/ACQUISITION		
Advances Payable	-	-
Sale of common stock	-	-
Net cash provided by financing activities	-	-
Net increase (decrease) in cash and equivalents	23,378,863	30,504,368
Cash and equivalents at beginning of the period	<u>86,341,462</u>	<u>79,215,957</u>
Cash and equivalents at end of the period	<u>109,720,325</u>	<u>109,720,325</u>

The accompanying notes are an integral part of these financial statements

ENERKON SOLAR INTERNATIONAL, INC.

NOTES TO THE FINANCIAL STATEMENTS

QUARTER ENDING 06/30/2019

1. COMPANY HISTORY

ORGANIZATION

Enerkon Solar International, Inc. (ENKS) is a holding company which was incorporated in Nevada on June 13, 1986. The name of the Company was changed from Castle Holding Corp. (CHOD) to ENKS on October 31, 2017. The subsidiaries of ENKS are as follows:

Global Star Holdings Limited (incorporated 2006 Hong Kong SAR China);

Global Star Holdings Replaced İnşaat ve Mühendislik Co. (“Mertokon”), founded in 2001, which had completed various projects in Turkey since its inception

Previous, Subsidiary Companies are no longer owned By Enerkon Solar International Inc. due to Divestment after the February 8, 2018 share exchange agreement with previous management as per notations disclosed in Form 8K Supplemental information filed with the SEC and posted on the OTC Disclosure Page.

On February 8, 2018 the Company entered into a share exchange agreement with Enerkon Solar International, Inc. (Incorporated in Florida, September 28, 2016). The Company engages in Utility Scale PV Power Plants and renewable systems, with a particular focus on the Middle East, China, USA and Africa.

2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

METHOD OF ACCOUNTING

Interim financial statements—The accompanying unaudited interim financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to rules and regulations of the Securities Exchange Commission (SEC). Accordingly, they do not include all information and footnotes required by Generally Accepted Accounting Principles (GAAP) for Annual Audited Financial Statements. In the opinion of Management, the unaudited financial statements have been prepared in accordance with GAAP, and reflect all adjustments considered necessary for a fair presentation.

Principles of Consolidation—The consolidated financial statements include all the accounts of ENKS and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates—The preparations of the Financial Statements in conformity with United States GAAP. GAAP requires management to make estimates and assumptions that affect the amounts reported in the Financial Statements and accompanying Notes. Actual result could differ from those estimates.

Cash and Cash Equivalents—The Company considers highly liquid investments with maturity dates of three months or less at the time of purchase. As of 06/30/2019 the Company has \$ 109,720,325. The Company currently has deferred revenue liability of \$ 87,200,405.

Revenue Recognition—Revenues from fixed price construction contracts are recognized on the percentage of completion method, measured on the basis of incurred costs to estimated total costs for each contract. This cost to cost method is used because management considers it to be the best available measure of progress on these contracts. Revenues from cost-plus fee contracts are recognized on the basis of costs incurred during the period plus the fee earned, measured by the cost to cost method. Participation in Power Purchase Agreements over long term with Governmental Electricity Ministries or Utilities are calculated on a quarterly and annualized basis according to the agreement on revenue sharing and values are calculated in equivalent values in United States Dollars when paid in local currencies and booked as accounts receivables (long Term) on both its annual value and total value across the life of the contract (usually 25 – 30 Years) and terminated thereafter in the case of BOOT or other revenue sharing models in accordance with GAAP Standard accounting principles.

The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to costs to complete long-term contracts. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs, and depreciation costs. Selling, general, and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

Changes in job performance, job conditions, and estimated profitability, including those arising from contract penalty provisions, and final contract settlements may result in revisions to costs and income

Fixed Assets/Other Assets—The Company currently has \$ 7,480,745 of fixed assets and 376,000 Deposit on the Balance Sheet. Property and equipment are stated at cost. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets, which range from 3 to 39 years. Leasehold improvements are amortized over the shorter of the useful life of the related assets or the lease term. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Fair Value of Financial Instruments—Pursuant to SFAS No. 107 “Disclosures about Fair Value of Financial Instruments”, the Company is required to estimate the fair value of all financial instruments included on its balance sheet. Quarter Ending 06/30/2019 instruments consisted of cash and cash equivalents, accounts payable, notes payable, deferred revenue. The Company considers its items in the Financial Statements to approximate their value due to the relatively short period of time between organization of instruments and their expected realization.

3.LIABILITIES /DEBT

The Company as of 06/30/2019 has \$ 101,198,778 in current liabilities, of which includes deferred revenue liability of \$ 87,200,405 and \$ 6,500,150 in Long Term Liabilities. As of 06/30/2019 the Company owed \$ 12,592 in Notes Payable with a conversion rate of 0.0025 (par value).

4.STOCKHOLDERS EQUITY

The Company as of 06/30/2019 has Common Shares issued and outstanding of 65,610,510 authorized of 200,000,000 with a par value of 0.0025. Class A Convertible Preferred Stock has 522,250 issued and outstanding, authorized of 1,000,000 par value of 0.01. Class B Preferred Stock has 100,000 issued and outstanding and 100,000 authorized. The Company has 588,800 of Treasury Stock, listed at cost (32,620).