

FYIMS, Inc.
dba Friends For Life Animal Shelter
and Sanctuary

Financial Statements for the Year Ended December 31, 2017
(with comparative totals for 2016)



Bennoch & Tipton^{LLC}
CERTIFIED PUBLIC ACCOUNTANTS

FYIMS, Inc.
dba Friends For Life Animal Shelter and Sanctuary

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
FYIMS, Inc. dba Friends For Life Animal Shelter
and Sanctuary
Houston, Texas

We have audited the accompanying financial statements of FYIMS, Inc. dba Friends For Life Animal Shelter and Sanctuary (a nonprofit organization), which comprise the statement financial position as of December 31, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

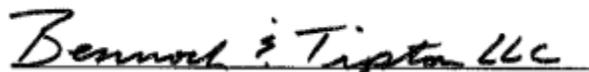
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FYIMS, Inc. dba Friends For Life Animal Shelter and Sanctuary as of December 31, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited FYIMS, Inc. dba Friends For Life Animal Shelter and Sanctuary's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 22, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Bennoch & Tipton LLC
Certified Public Accountants
Houston, Texas

May 23, 2018

FYIMS, INC. DBA FRIENDS FOR LIFE ANIMAL SHELTER AND SANCTUARY
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017 *(with comparative totals for 2016)*

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 1,742,307	\$ 2,628,582
Investments	1,574,793	272,197
Property and equipment, net	2,731,982	2,798,807
Other assets	<u>2,927</u>	<u>2,384</u>
TOTAL ASSETS	<u>\$ 6,052,009</u>	<u>\$ 5,701,970</u>
LIABILITIES AND NET ASSETS		
Accounts payable	<u>\$ -</u>	<u>\$ 41,121</u>
Total Liabilities	<u>-</u>	<u>41,121</u>
Unrestricted	5,971,942	5,478,005
Temporarily restricted	<u>80,067</u>	<u>182,844</u>
Total Net Assets	<u>6,052,009</u>	<u>5,660,849</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,052,009</u>	<u>\$ 5,701,970</u>

The accompanying notes are an integral part of these financial statements.

FYIMS, INC. DBA FRIENDS FOR LIFE ANIMAL SHELTER AND SANCTUARY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative totals for 2016)

	Unrestricted	Temporarily Restricted	2017 Total	2016 Total
Public Support and Revenue				
Grants	\$ 269,494	\$ -	\$ 269,494	\$ 221,964
Animal adoption fees	64,339	-	64,339	47,974
Special fundraising events				
Less: direct benefit to donor of \$81,572	202,440	-	202,440	371,737
Donations	1,051,890	15,685	1,067,575	570,574
Gifts in-kind	51,541	-	51,541	-
Realized/unrealized gain on investments	29,300	-	29,300	56,310
Investment income, interest and dividends	13,858	-	13,858	2,726
Other income	1,455	-	1,455	1,664
Total Public Support and Revenues	<u>1,684,317</u>	<u>15,685</u>	<u>1,700,002</u>	<u>1,272,949</u>
Net assets released from temporary restrictions	<u>118,462</u>	<u>(118,462)</u>	<u>-</u>	<u>-</u>
Total Public Support and Revenues, and Releases from Temporary Restrictions	<u>1,802,779</u>	<u>(102,777)</u>	<u>1,700,002</u>	<u>1,272,949</u>
Expenses				
Program services	<u>1,054,779</u>	<u>-</u>	<u>1,054,779</u>	<u>941,302</u>
Total Program Services	<u>1,054,779</u>	<u>-</u>	<u>1,054,779</u>	<u>941,302</u>
Supporting Services:				
Management and general	129,169	-	129,169	123,558
Fundraising	124,894	-	124,894	139,751
Total Supporting Services	<u>254,063</u>	<u>-</u>	<u>254,063</u>	<u>263,309</u>
Total Expenses	<u>1,308,842</u>	<u>-</u>	<u>1,308,842</u>	<u>1,204,611</u>
Change in Net Assets	493,937	(102,777)	391,160	68,338
Net Assets, Beginning of Year	<u>5,478,005</u>	<u>182,844</u>	<u>5,660,849</u>	<u>5,592,511</u>
Net Assets, End of Year	<u>\$ 5,971,942</u>	<u>\$ 80,067</u>	<u>\$ 6,052,009</u>	<u>\$ 5,660,849</u>

The accompanying notes are an integral part of these financial statements.

FYIMS, INC. DBA FRIENDS FOR LIFE ANIMAL SHELTER AND SANCTUARY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative totals for 2016)

	Program	Supporting Services		2017 Total	2016 Total
		Management & General	Fundraising		
Advertising	\$ 25,156	\$ 3,354	\$ 4,865	\$ 33,375	\$ 23,730
Bank charges	-	-	26,422	26,422	10,581
Charitable contributions	495	-	55	550	-
Depreciation	66,713	8,895	13,343	88,951	82,366
Dues and subscriptions	193	579	193	965	651
Fees and licenses	-	-	1,088	1,088	-
Insurance	17,931	2,391	3,586	23,908	27,307
Microchip registrations	5,032	-	-	5,032	4,051
Postage, freight and delivery	-	835	835	1,670	1,106
Professional fees	9,816	12,672	16,975	39,463	31,942
Recognition and appreciation	2,104	280	421	2,805	3,358
Rent	1,357	1,526	509	3,392	3,220
Repairs and maintenance	16,330	1,866	2,799	20,995	8,128
Salaries and wages	616,876	79,787	29,013	725,676	708,788
Scholarships	4,308	-	-	4,308	381
Software	1,567	1,958	6,266	9,791	6,344
Staff development	-	-	-	-	90
Supplies - animal care	26,362	-	-	26,362	53,870
Supplies	79,678	4,327	1,997	86,002	54,264
Taxes - payroll	43,450	5,793	8,690	57,933	55,248
Taxes - property	-	-	443	443	582
Travel, lodging and meals	2,945	-	-	2,945	715
Telephone	4,389	1,062	1,628	7,079	8,087
Utilities	28,830	3,844	5,766	38,440	33,754
Vehicles	-	-	-	-	4,425
Veterinary Fees	101,247	-	-	101,247	81,623
TOTAL EXPENSES	\$ 1,054,779	\$ 129,169	\$ 124,894	\$ 1,308,842	\$ 1,204,611

The accompanying notes are an integral part of these financial statements.

FYIMS, INC. DBA FRIENDS FOR LIFE ANIMAL SHELTER AND SANCTUARY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017 (with comparative totals for 2016)

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Change in net assets	<u>\$ 391,160</u>	<u>\$ 68,338</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	88,951	82,366
Net unrealized loss on investments	141,099	650
Net realized gain on investments	(111,799)	(56,960)
Change in operating assets and liabilities		
Other assets	(543)	627
Accounts payable	(41,121)	41,121
Net Cash from Operating Activities	<u>467,747</u>	<u>136,142</u>
Cash Flows from Investing Activities		
Purchases of investments net of sales	(1,331,896)	(58,546)
Purchase of property and equipment	(22,126)	(78,968)
Net Cash from Investing Activities	<u>(1,354,022)</u>	<u>(137,514)</u>
Net Change in Cash and Cash Equivalents	(886,275)	(1,372)
Cash and Cash Equivalents, Beginning of Year	<u>2,628,582</u>	<u>2,629,954</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,742,307</u>	<u>\$ 2,628,582</u>

The accompanying notes are an integral part of these financial statements.

FYIMS, INC. DBA FRIENDS FOR LIFE ANIMAL SHELTER AND SANCTUARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 (with comparative totals for 2016)

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business – FYIMS, Inc. dba Friends For Life Animal Shelter and Sanctuary (the “Organization”), a Texas nonprofit organization, was founded in 1992, and was approved as a 501(c)(3) entity in 2002. The mission of the Organization is to provide a no kill option to the Houston community by rescuing, treating and rehoming animals within the no kill model of sheltering.

Significant operations of the organization include: Don Sanders Adoption Center (no kill, LEED-certified shelter), Fix Houston (providing free spay/neuter services to animals in low-income communities), Thinking Outside the Shelter (food bank, behavioral services, micro grants for veterinary fees, and animal containment assistance).

The Organization is supported through contributions received from individuals, corporations and foundations, as well as fundraisers.

Basis of Accounting – The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation – The Organization’s financial statements are presented in accordance with Financial Accounting Standards Board’s (FASB) Accounting Standards Codification (ASC) 958-205-45-4, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-205-45-4, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets – These are resources that are not subject to donor-imposed stipulations and can be used for the general operations of the Organization. As of December 31, 2017 and 2016, the Organization had \$5,971,942 and \$5,478,005, respectively, of unrestricted resources.

Temporarily restricted net assets – These are resources that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. As of December 31, 2017 and 2016, the Organization had \$80,067 and \$182,844, respectively, of temporarily restricted resources.

Permanently restricted net assets – These are resources that are subject to donor restrictions requiring that the principal be held in perpetuity and any income thereon be used by the Organization. The Organization did not have any permanently restricted net assets as of December 31, 2017 and 2016.

In addition, the Organization is required by FASB ASC 958-205-45-4 to present a statement of cash flows.

FYIMS, INC. DBA FRIENDS FOR LIFE ANIMAL SHELTER AND SANCTUARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 *(with comparative totals for 2016)*

Revenue Recognition – Generally, grants are recognized as revenues when earned. Grants that operate on a reimbursement basis are recognized on the accrual basis as revenues only to the extent of disbursements and commitments that are allowable for reimbursement. Revenues from contributions, donations and other sources are recognized as unrestricted or temporarily restricted revenues when received or unconditionally promised by a third party. Revenues from special events are recognized when the events are held. Interest income is recognized when earned based on passage of time. Program income and other income are recognized when received.

Contributions and Promises to Give – In accordance with FASB ASC 958-605-45-3, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give cash or other assets are not recognized as revenues until received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions are met in the fiscal year in which the contributions were recognized. All other donor-restricted contributions would be reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization uses the allowance method to determine uncollectible grant and promise to give receivables. The allowance is based on management's analysis of specific promises made. The Organization considers all grant and promise to give receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Donations – Donations are recorded as contributions at fair value at the date of donation. Such donations are reported as unrestricted net assets unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as restricted by the donor.

The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Cash and Cash Equivalents – The Organization considers all monies in banks and highly liquid investments with maturities of three months or less from the date of purchase to be cash and cash equivalents. The carrying values of any cash and cash equivalents are deemed to approximate their fair values because of the short maturities of those financial instruments.

FYIMS, INC. DBA FRIENDS FOR LIFE ANIMAL SHELTER AND SANCTUARY

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DECEMBER 31, 2017 *(with comparative totals for 2016)*

Property and Equipment – The Organization capitalizes all expenditures for property and equipment in excess of \$1,500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. Property and equipment items are depreciated using the straight-line method based on their estimated useful lives ranging from 5 to 40 years. Maintenance and repairs are charged to operations when incurred. Major improvements and renewals that extend the life of the asset are capitalized.

Functional Allocation of Expenses – Expenses are categorized in the statement of activities as program services, fundraising and management and general. The Organization's expenses are allocated on a functional basis among these benefited categories.

Program service expenses include direct and indirect (allocated) expenses for the various programs offered by the Organization. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Other expenses, that are common to several functions, are allocated to program services by various reasonable bases.

Fundraising expenses represent costs incurred in connection with fundraising efforts. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes – The Organization is a nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code ("Code") and comparable State law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Organization did not conduct any unrelated business activities in the current fiscal year. Therefore, the Organization has made no provision for federal income taxes in the accompanying financial statements.

The Organization applies the provisions of FASB ASC Topic 740, *Income Taxes*, (formerly FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109*), which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosures and transition.

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. The significant estimates included in the financial

FYIMS, INC. DBA FRIENDS FOR LIFE ANIMAL SHELTER AND SANCTUARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 *(with comparative totals for 2016)*

statements are the estimates of useful lives used for depreciating property and equipment items.

Fair Value of Financial Instruments – ASC 820, *Fair Value Measurements and Disclosures* (formerly SFAS 157), defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market, establishes a framework for measuring fair value in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

The valuation techniques required by ASC 820 are based upon observable and unobservable inputs, and ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities. An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
 - Level 1 assets include cash and cash equivalents and investments with a fair value at December 31, 2017 of \$1,742,307 and \$1,574,793, respectively.
 - Level 1 assets include cash and cash equivalents and investments with a fair value at December 31, 2016 of \$2,628,582 and \$272,197, respectively.
- Level 2 - Inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Significant unobservable inputs that are supported by little or no market activity.

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

Advertising – The Organization uses advertising to promote its programs. The costs of advertising are expensed as incurred. Advertising costs totaled \$33,375 and \$23,730 for the years ended December 31, 2017 and 2016, respectively.

Donated Services – No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs of the animal shelter.

FYIMS, INC. DBA FRIENDS FOR LIFE ANIMAL SHELTER AND SANCTUARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 *(with comparative totals for 2016)*

NOTE 2 – INVESTMENTS

Cost and fair value of investments at December 31, 2017 were as follows:

	<u>Cost</u>	<u>Gross Unrealized Gain/(Loss)</u>	<u>Fair Market Value</u>
Certificates of deposit	\$ 545,000	\$ (1,851)	\$ 543,149
Equities	<u>960,762</u>	<u>70,882</u>	<u>1,031,644</u>
Total	<u>\$ 1,505,762</u>	<u>\$ 69,031</u>	<u>\$ 1,574,793</u>

Cost and fair value of investments at December 31, 2016 were as follows:

	<u>Cost</u>	<u>Gross Unrealized Gain/(Loss)</u>	<u>Fair Market Value</u>
Equities	<u>\$ 448,776</u>	<u>\$ (176,579)</u>	<u>\$ 272,197</u>
Total	<u>\$ 448,776</u>	<u>\$ (176,579)</u>	<u>\$ 272,197</u>

The fair value of all investments have been measured on a recurring basis using Level 1 inputs. There were no changes in valuation methodologies and related inputs used at December 31, 2017 and 2016, respectively.

The following schedule summarizes the investment return and its classification recording in the statement of activity for the year ended December 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and dividend income	\$ 13,858	\$ -	\$ 13,858
Realized and unrealized gains	<u>29,300</u>	<u>-</u>	<u>29,300</u>
Total	<u>\$ 43,158</u>	<u>\$ -</u>	<u>\$ 43,158</u>

FYIMS, INC. DBA FRIENDS FOR LIFE ANIMAL SHELTER AND SANCTUARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 *(with comparative totals for 2016)*

The following schedule summarizes the investment return and its classification recording in the statement of activity for the year ended December 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and dividend income	\$ 2,726	\$ -	\$ 2,726
Realized and unrealized gains	56,310	-	56,310
Total	<u>\$ 59,036</u>	<u>\$ -</u>	<u>\$ 59,036</u>

NOTE 3 – PROPERTY AND EQUIPMENT

As of December 31, 2017 and 2016, property and equipment consisted of the following:

	<u>2017</u>	<u>2016</u>
Land	\$ 272,378	\$ 272,378
Building and improvements	2,790,610	2,770,860
Furniture and fixtures	51,300	51,300
Vehicles	177,333	174,957
Construction in progress	26,955	26,955
	<u>3,318,576</u>	<u>3,296,450</u>
Less: accumulated depreciation	<u>(586,594)</u>	<u>(497,643)</u>
Property and equipment, net	<u>\$ 2,731,982</u>	<u>\$ 2,798,807</u>

Depreciation expense charged to operations for the year ended December 31, 2017 and 2016 was \$88,951 and \$82,366.

NOTE 4 – OPERATING LEASES

The Company leases a storage unit and certain office equipment. Lease expense for the years ended December 31, 2017 and 2016 was \$3,392 and \$3,220, respectively. Terms of the leases are for periods ranging from 12 to 48 months.

Minimum future lease payments under non-cancelable operating leases as of December 31, 2017, are as follows:

<u>Year ending December 31,</u>	
2018	\$ 2,244
2019	<u>502</u>
Total	<u>\$ 2,746</u>

FYIMS, INC. DBA FRIENDS FOR LIFE ANIMAL SHELTER AND SANCTUARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 *(with comparative totals for 2016)*

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following specific program services and expenditures at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Animal welfare programs	<u>\$ 80,067</u>	<u>\$ 182,844</u>
Total Temporarily Restricted Net Assets	<u><u>\$ 80,067</u></u>	<u><u>\$ 182,844</u></u>

NOTE 6 – CONCENTRATION OF CREDIT RISKS

Financial instruments that potentially subject the Organization to credit risk consist primarily of cash and investments. All of a depositor's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the Federal Deposit Insurance Corporation (FDIC) up to the standard maximum deposit insurance amount (\$250,000), for each deposit insurance ownership category. The Organization maintains its cash balances in two financial institutions at December 31, 2017 and 2016. At December 31, 2017 and 2016 the excess above the insured limit was \$1,212,758 and \$1,865,949, respectively.

Additionally, cash and securities held by a customer at a Security Investor Protection Corporation (SIPC) member brokerage firm are protected up to \$500,000 which includes a limit of \$250,000 for cash. At December 31, 2017 and 2016, the excess above the insured limit was \$1,074,793 and \$0, respectively.

The Organization has not experienced any losses in such accounts and believes the risk of future loss is mitigated by monitoring the balances and the financial institutions where the cash is deposited.

NOTE 7 – CONCENTRATIONS

In 2017, the Organization held an annual fundraising event in the fall which provided approximately fifteen percent (15%) of its operating revenues for the year ended December 31, 2017.

In 2016, grant funds from one government entity provided approximately sixteen percent (16%) of the Organization's support for the year ended December 31, 2016. Two donors make up twenty-five percent (25%) of the Organization's support for the year ended December 31, 2016. The Organization's annual fundraising event provided approximately thirty percent (30%) of its operating revenues for the year ended December 31, 2016.

FYIMS, INC. DBA FRIENDS FOR LIFE ANIMAL SHELTER AND SANCTUARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 *(with comparative totals for 2016)*

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 23, 2018; the date financial statements were available to be issued. No change to the financial statements for the year ended December 31, 2017 is deemed necessary as a result of this evaluation.