

DAVID G. FAW
CERTIFIED PUBLIC
ACCOUNTANT

SAVED ME, INC.

FINANCIAL STATEMENTS

December 31, 2017

SAVED ME, INC.
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For the year ended December 31, 2017

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Saved Me, Inc.
Philadelphia, Pennsylvania

I have reviewed the accompanying statement of assets, liabilities and net assets - modified cash basis of Saved Me, Inc. (a nonprofit corporation) as of December 31, 2017, and the related statements of support, revenue, and expenses - modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting; 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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting, as described in Note 2.

Basis of Accounting

I draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My conclusion is not modified with respect to this matter.



Certified Public Accountant
Wayne, Pennsylvania
July 11, 2018

SAVED ME, INC.
STATEMENT OF ASSETS, LIABILITIES, AND
NET ASSETS - MODIFIED CASH BASIS
December 31, 2017

<u>Assets</u>	
Cash	\$ 9,192
Property and equipment, net	<u>47,642</u>
Total assets	<u><u>\$ 56,834</u></u>
<u>Liabilities</u>	
	<u>\$ -</u>
<u>Net assets</u>	
Unrestricted	<u>\$ 56,834</u>
Total net assets	<u><u>\$ 56,834</u></u>

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

SAVED ME, INC.
STATEMENT OF SUPPORT, REVENUE, EXPENSES AND
CHANGES IN NET ASSETS - MODIFIED CASH BASIS
For the year ended December 31, 2017

Support and revenue

Adoption income	\$ 306,329
Contributions	213,391
Miscellaneous	<u>11,972</u>
 Total support and revenue	 <u>531,692</u>

Expenses

Program	504,902
Management and general	13,618
Fundraising	<u>14,323</u>
 Total expenses	 <u>532,843</u>

Change in net assets	(1,151)
 Net assets, beginning of year	 <u>57,985</u>
 Net assets, end of year	 <u>\$ 56,834</u>

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

SAVED ME, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
For the year ended December 31, 2017

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total 2017</u>
Salaries	\$ 220,326	\$ 5,566	\$ 9,252	\$ 235,144
Payroll taxes	<u>20,457</u>	<u>517</u>	<u>859</u>	<u>21,833</u>
Total salaries and related expenses	240,783	6,083	10,111	256,977
Clothing	2,330	-	-	2,330
Depreciation	12,658	-	-	12,658
Insurance	7,820	198	328	8,346
Licenses and fees	390	-	-	390
Occupancy	35,010	884	1,470	37,364
Office expense	16,521	417	694	17,632
Postage and mailing services	9,254	234	388	9,876
Professional fees	-	5,000	-	5,000
Repairs and maintenance	28,236	713	1,186	30,135
Telephone	1,250	32	52	1,334
Travel	2,239	57	94	2,390
Veterinary care	<u>148,411</u>	<u>-</u>	<u>-</u>	<u>148,411</u>
Total expenses	<u>\$ 504,902</u>	<u>\$ 13,618</u>	<u>\$ 14,323</u>	<u>\$ 532,843</u>

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

SAVED ME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

Note 1 - Nature of Organization

Saved Me, Inc. (Saved Me) is a non-profit organization, located in Philadelphia, which is focused on saving dogs and cats from shelters that are forced to euthanize due to limited amount of space. Saved Me provides quality care, shelter, food, and a safe and healthy environment for our rescues and is dedicated to improving and enriching the quality of life of abused, abandoned, and neglected pets. The Saved Me adoption center is focused on saving and rescuing as many lives as possible. Saved Me is determined to find great homes and always screen potential adopters to make sure that they will be able to provide a safe, responsible, and loving home for our rescues. Saved Me receives contributions from the general public and adoption revenue to support its operations.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

Saved Me's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. The only departure from the traditional cash basis of accounting is fixed asset capitalization/depreciation.

Contributions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are 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. Saved Me has one class of net assets, unrestricted.

Income Tax Status

Saved Me is a not-for-profit organization exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for Federal or state income taxes is included in these financial statements. Saved Me follows the income tax standard for uncertain tax positions. Should the tax-exempt status be challenged in the future, Saved Me's last three tax years are open for examination by the IRS.

Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and these differences could be material.

SAVED ME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

Note 2 - Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing Saved Me's various programs and supporting services have been summarized on a functional basis in the statement of support, revenue, and expenses and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged directly to program, management and general, and fundraising categories based on specific identification. Indirect expenses have been allocated based on salary expenditures.

Property and Equipment

All acquisitions of property and equipment over \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

Note 3 - Property and Equipment

Property and equipment as of December 31, 2017 is as follows:

Building improvements	\$ 50,000
Van	22,300
Equipment	<u>10,000</u>
	82,300
Less accumulated depreciation	<u>34,658</u>
	<u>\$ 47,642</u>

Depreciation expense was \$12,658 for the year ended December 31, 2017.

The estimated useful lives were as follows:

Building improvements	5 years
Furniture and equipment	7 years
Van	5 years

Note 4 - Donated Services, Food, Supplies and Space

Under the modified cash basis of accounting, the recording of donated services, food, supplies and space is generally not presented in the body of the financial statements. However, Saved Me relies on continued in-kind support from the following sources:

<u>Nature of Contribution</u>	<u>Fair Value</u>
Veterinary care	\$ 77,800
Pet food and supplies	10,000
Space	<u>17,600</u>
	<u>\$ 105,400</u>

SAVED ME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

Note 5 - Lease Commitments

In February 2016, Saved Me exercised a five year lease renewal option for its space at 860-862 N. 3rd Street until February 2021 at a fixed rate of \$2,000 per month plus utilities, insurance and property taxes. Rent expense for the year ended December 31, 2017 was \$24,000. Future remaining lease payments over the next five years are:

2018	\$ 24,000
2019	24,000
2020	24,000
2021	6,000
2022	-
	<u>\$ 78,000</u>

Note 6 - Related Party Transactions

Saved Me's Board Chair and Treasurer are principals in the Corporation that provides the majority of the Veterinary Care. That Corporation provided services in 2017 that were steeply discounted to Saved Me in furtherance of Saved Me's charitable programs. Payments during 2017 from Saved Me to this firm were \$129,751, while donated discounted services were estimated to be \$77,800. In observance of the highest standards of corporate governance, the board of directors of Saved Me in 2016 authorized a competitive bidding process and request for proposal among various area veterinary medicine providers. Saved Me's provider, The Pet Mechanic, was the lowest bidder by more than half of what the other respondents proposed to charge. Based on this result, the Board agreed to retain The Pet Mechanic as its primary source of veterinary care.

Note 7 - Evaluation of Subsequent Events

Saved Me has evaluated subsequent events through July 11, 2018, the date which the financial statements were available to be issued. No items were noted which require disclosure in the financial statements.