

FIDOS FOR FREEDOM, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

FIDOS FOR FREEDOM, INC.
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SEPTEMBER 30, 2018 and 2017

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Fidos For Freedom, Inc.
Laurel, Maryland

We have reviewed the accompanying financial statements of Fidos for Freedom, Inc, (a nonprofit organization), which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years 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, we do not express such an opinion.

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.

Accountant's Responsibility

Our 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 AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Glass Jacobson, P.A.

Owings Mills, Maryland
January 8, 2019

FIDOS FOR FREEDOM, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2018 and 2017

ASSETS		
	2018	2017
CURRENT ASSETS		
Cash and cash equivalents	\$ 42,565	\$ 100,019
Promises to give	-	2,346
Accounts receivable, net	1,013	7,897
Prepaid expenses	4,638	7,755
Total current assets	48,216	118,017
PROPERTY AND EQUIPMENT - NET	541,174	558,450
TOTAL ASSETS	\$ 589,390	\$ 676,467
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 9,975	\$ 11,397
Current portion of note payable	7,121	8,969
Total current liabilities	17,096	20,366
LONG-TERM LIABILITIES		
Note payable	49,853	55,860
Security deposits	4,038	4,359
Total long-term liabilities	53,891	60,219
Total liabilities	70,987	80,585
NET ASSETS		
Unrestricted	518,403	584,578
Temporarily restricted	-	11,304
Total net assets	518,403	595,882
TOTAL LIABILITIES AND NET ASSETS	\$ 589,390	\$ 676,467

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

FIDOS FOR FREEDOM, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Temporarily		Total
	Unrestricted	Restricted	
REVENUE, GAINS AND OTHER SUPPORT			
Contributions	93,689	\$ -	\$ 93,689
Program revenue	8,528	-	8,528
Special events	38,638	-	38,638
Rent	81,238	-	81,238
Interest	13	-	13
Other income	50	-	50
Net assets released from restriction	<u>11,304</u>	<u>(11,304)</u>	<u>-</u>
Total revenue, gains and other support	<u>233,460</u>	<u>(11,304)</u>	<u>222,156</u>
EXPENSES			
Program expenses	190,532	-	190,532
Building and rental	61,769	-	61,769
Management and general	29,584	-	29,584
Fundraising	<u>17,750</u>	<u>-</u>	<u>17,750</u>
Total expenses	<u>299,635</u>	<u>-</u>	<u>299,635</u>
CHANGE IN NET ASSETS	(66,175)	(11,304)	(77,479)
NET ASSETS - BEGINNING OF YEAR	<u>584,578</u>	<u>11,304</u>	<u>595,882</u>
NET ASSETS - END OF YEAR	<u>\$ 518,403</u>	<u>\$ -</u>	<u>\$ 518,403</u>

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

FIDOS FOR FREEDOM, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Temporarily		Total
	Unrestricted	Restricted	
REVENUE, GAINS AND OTHER SUPPORT			
Contributions	\$ 121,104	\$ 690	\$ 121,794
Program revenue	23,919	-	23,919
Special events	23,551	-	23,551
Rent	85,989	-	85,989
Interest	14	-	14
Other income	1,407	-	1,407
Net assets released from restriction	<u>12,578</u>	<u>(12,578)</u>	<u>-</u>
Total revenue, gains and other support	<u>268,562</u>	<u>(11,888)</u>	<u>256,674</u>
EXPENSES			
Program expenses	167,067	-	167,067
Building and rental	61,104	-	61,104
Management and general	27,949	-	27,949
Fundraising	<u>17,934</u>	<u>-</u>	<u>17,934</u>
Total expenses	<u>274,054</u>	<u>-</u>	<u>274,054</u>
CHANGE IN NET ASSETS	(5,492)	(11,888)	(17,380)
NET ASSETS - BEGINNING OF YEAR	<u>590,070</u>	<u>23,192</u>	<u>613,262</u>
NET ASSETS - END OF YEAR	<u>\$ 584,578</u>	<u>\$ 11,304</u>	<u>\$ 595,882</u>

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

FIDOS FOR FREEDOM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Program	Building and Rental	Management and General	Fundraising	Total
Administrative	\$ 4,135	\$ 590	\$ 2,432	\$ 6	\$ 7,163
Advertising	-	-	-	501	501
Banquet	9,131	-	-	-	9,131
Client services program	623	-	-	-	623
Community education program	2,038	-	-	350	2,388
Concert	-	-	-	1,710	1,710
Depreciation	16,491	14,625	-	-	31,116
Golf tournament	-	-	-	10,971	10,971
Insurance	6,057	4,584	1,708	-	12,349
Interest	2,728	-	910	-	3,638
Maintenance and repairs	20,528	12,456	1,483	-	34,467
Office expenses	3,331	-	1,491	149	4,971
Payroll taxes	4,111	763	705	294	5,873
Professional fees	-	-	8,000	-	8,000
Real estate taxes	6,716	5,322	633	-	12,671
Salaries	52,769	9,800	9,046	3,769	75,384
Security	244	194	23	-	461
Telephone	1,661	-	1,660	-	3,321
Therapy	826	-	-	-	826
Training program	44,216	-	-	-	44,216
Utilities	14,927	13,435	1,493	-	29,855
Total expenses	\$ 190,532	\$ 61,769	\$ 29,584	\$ 17,750	\$ 299,635

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

FIDOS FOR FREEDOM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Program	Building and Rental	Management and General	Fundraising	Total
Administrative	\$ 341	\$ -	\$ 4,675	\$ 252	\$ 5,268
Banquet	8,813	-	-	-	8,813
Client services program	1,606	-	-	-	1,606
Community education program	1,542	-	-	550	2,092
Depreciation	13,989	13,989	1,488	297	29,763
Golf tournament	-	-	-	14,115	14,115
Insurance	3,649	3,899	1,850	166	9,564
Interest	1,434	1,310	374	-	3,118
Maintenance and repairs	18,152	14,960	1,860	-	34,972
Office expenses	1,422	63	3,149	278	4,912
Payroll taxes	2,521	217	285	159	3,182
Professional fees	-	-	7,600	-	7,600
Real estate taxes	6,396	6,263	666	-	13,325
Salaries	32,423	2,791	3,670	2,047	40,931
Telephone	2,952	104	347	70	3,473
Therapy	1,486	-	-	-	1,486
Training program	61,132	-	-	-	61,132
Utilities	9,209	17,508	1,985	-	28,702
Total expenses	<u>\$ 167,067</u>	<u>\$ 61,104</u>	<u>\$ 27,949</u>	<u>\$ 17,934</u>	<u>\$ 274,054</u>

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

FIDOS FOR FREEDOM, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Grants and contributions received	\$ 85,535	\$ 120,128
Program receipts	8,528	16,040
Receipts from special events	38,638	23,551
Rents received	87,801	94,169
Interest received	13	14
Other revenue received	50	1,407
Payments to employees, taxing authorities and benefit vendors	(81,257)	(44,113)
Payments to vendors	(171,429)	(180,072)
Interest paid	<u>(3,638)</u>	<u>(3,118)</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(35,759)</u>	<u>28,006</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	<u>(13,840)</u>	<u>-</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(13,840)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable	<u>(7,855)</u>	<u>(9,000)</u>
NET CASH (USED) BY FINANCING ACTIVITIES	<u>(7,855)</u>	<u>(9,000)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(57,454)	19,006
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>100,019</u>	<u>81,013</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 42,565</u>	<u>\$ 100,019</u>

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

FIDOS FOR FREEDOM, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ (77,479)	\$ (17,380)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation and amortization	31,116	29,763
(Increase) decrease in assets		
Promises to give	2,346	8,884
Accounts receivable	6,884	8,187
Prepaid expenses	3,117	6,128
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(1,422)	(1,383)
Sales taxes payable/other current liabilities	-	1,693
Deferred revenue	-	(7,879)
Security deposits	(321)	(7)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>\$ (35,759)</u>	<u>\$ 28,006</u>
 SUPPLEMENTAL DISCLOSURES OF NON-CASH OPERATING TRANSACTIONS		
Donated dogs and services recorded as contributions and related expenses	<u>\$ 10,500</u>	<u>\$ 10,550</u>

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

FIDOS FOR FREEDOM, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE 1 - NATURE OF ORGANIZATION

Fidos For Freedom, Inc. (the Organization) (formerly known as Helping Paws, Inc. and Phydeaux For Freedom, Inc.) was incorporated under the laws of the State of Maryland in June 1987, and is organized under Section 501(c)(3) of the Internal Revenue Code as a non-profit, tax exempt organization. The Organization is committed to providing quality trained Service Dogs to mobility challenged individuals; Hearing Dogs to people who are deaf or hard of hearing; Service dogs to combat related PTSD veterans; and Therapy Dogs to patients residing in healthcare facilities, who reap the companionship benefits both physically and emotionally. The Organization also educates the community in the use of quality trained dogs through disability awareness presentations and demonstrations. In addition, they provide a Junior Volunteer Program for youth, enabling hands-on experience with training of dogs and working with physically challenged individuals while earning community service hours.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Method of accounting

The financial statements are prepared on the accrual basis of accounting.

Financial statement presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the statements of cash flows, the Organization considers all short-term debt securities purchased with an initial maturity of three months or less to be cash equivalents.

Revenue recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. 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-imposed 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. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

FIDOS FOR FREEDOM, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable

Accounts receivable primarily consist of rents due from tenants. A receivable is considered past due if payments have not been received within the agreed upon invoice terms. The Organization utilizes the allowance method of accounting for doubtful accounts. The allowance is based on experience, third-party contracts and other circumstances, which may affect the ability of customers to meet their obligations. It is the Organization's policy to charge off uncollectible accounts when management determines the receivable will not be collected. Management has reviewed all receivables and has determined to set allowance for doubtful accounts of \$10,839 and \$11,576 for the years ended September 30, 2018 and 2017, respectively.

Property and equipment

Property and equipment acquisitions are recorded at cost, if purchased, or at fair market value when donated. Depreciation is computed on the straight-line method over the estimated useful lives of the depreciable assets. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is included in the change in net assets. Expenditures for property and equipment in excess of \$1,500 are capitalized. Repairs and maintenance charges which do not increase the useful lives of the assets are charged to expense as incurred.

Income taxes

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified by the Internal Revenue Service as other than a private foundation. Rents received from debt financed property are subject to tax under Section 511. The Organization did not have any material unrelated business income tax liability for the years ended September 30, 2018 and 2017. Accordingly, no provision for income taxes is made on these financial statements.

The Organization has adopted FASB ASC 740-10-25, Accounting for Uncertainty in Income Taxes. The Organization will record a liability for uncertain tax positions when it is more likely than not that a tax position would not be sustained if examined by the taxing authority. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Organization's evaluation on September 30, 2018 revealed no uncertain tax positions that would have a material impact on the financial statements. The 2014 through 2016 tax years remain subject to examination by the IRS. The Organization does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

FIDOS FOR FREEDOM, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated assets

Donations of marketable securities and other noncash donations are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset 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 instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donations of dogs are recorded as unrestricted donations at their estimated fair value. While the Organization recognizes these donated dogs as one of the Organization's most valuable assets, from a financial reporting perspective, the dogs are not classified as assets of Fidos For Freedom, Inc., and therefore are not reflected in the financial statements. The estimated value of dogs donated for the years ended September 30, 2018 and 2017 was \$10,500 and \$10,550, respectively.

Donated services

The Organization received in-kind support in the form of services. This support, if any, is recorded if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations. No such donated services were received during the years ended September 30, 2018 and 2017.

The Organization receives substantial donations of services by volunteers who assist in the training of the Service Dogs, Hearing Dogs, and Therapy Dogs. These services are not material and do not meet the criteria for recognition as contributed services.

Functional expense allocation

Directly identifiable expenses are charged to service programs. Expenses related to more than one function are charged to service programs on the basis of periodic time and expense studies. General and administrative expenses include those expenses that are not directly identifiable with any specific program function but provide the overall support and direction of the Organization. General and administrative expenses are charged to service programs on the basis of periodic time and expense studies.

Reclassifications

Certain reclassifications have been made to the 2017 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

FIDOS FOR FREEDOM, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE 3 - FAIR VALUE MEASUREMENTS

The Organization has adopted FASB ASC 820-10 in order to establish a single definition of fair value and a framework for measuring fair value in generally accepted accounting principles (GAAP) that is intended to result in increased consistency and comparability in fair value measurements and disclosures. FASB ASC 820-10 also expands disclosures about fair value measurements and applies whenever other authoritative literature requires (or permits) certain assets or liabilities to be measured at fair value, but does not expand the use of fair value.

Under FASB ASC 820-10, items carried at fair value on a recurring basis consist of derivative financial instruments. Items carried at fair value on a non-recurring basis generally consist of assets held for sale. The Organization also uses fair value concepts to test various long-lived assets for impairment.

FASB ASC 820-10 requires that fair value be determined by providing a fair value hierarchy consisting of three levels, generally ranging from the most objective determination of fair value to the most subjective. The levels vary depending on the objectivity of the information used in valuation techniques to determine fair value. GAAP refers to the levels as categories of input into those techniques. The three general valuation levels that may be used to measure fair value are as described below:

1. Level 1 inputs are quoted prices in active markets for identical assets or liabilities;
2. Level 2 inputs generally are available indirect information, such as quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active. Additional level 2 inputs may be other than quoted prices that are observable for the asset or liability or inputs derived principally from or corroborated by observable market data by correlation or other means; and
3. Level 3 inputs are the most subjective, are generally based on the entity's own assumptions on how knowledgeable parties would price assets or liabilities, and are developed using the best information available in the circumstances.

The carrying values of cash; operating assets and liabilities, such as accounts and pledges receivable and accounts payable; and accrued expenses approximates fair value due to the relative short maturity of these instruments. The amounts shown for notes payable approximate fair value since the interest rates are at current market rates.

FIDOS FOR FREEDOM, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE 4 - CASH

The Organization considers all monies available for current use in checking, savings, money market, petty cash and undeposited funds to be cash. Cash consists of the following at September 30,

	<u>2018</u>	<u>2017</u>
Operating accounts (includes PayPal)	\$ 12,361	\$ 65,153
Money market and savings	30,004	34,738
Petty cash	<u>200</u>	<u>128</u>
 Total Cash	 <u>\$ 42,565</u>	 <u>\$ 100,019</u>

NOTE 5 - PROMISES TO GIVE

The Organization has waged a capital campaign to obtain funds for the construction of a new roof for the building the Organization owns. Capital campaign promises to give receivable as of September 30, 2018 and 2017 are due as follows:

	<u>2018</u>	<u>2017</u>
Less than one year	<u>\$ -</u>	<u>\$ 2,346</u>

NOTE 6 - ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at September 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Tenant rents	\$ 2,810	\$ 3,234
Tenant utility reimbursements	<u>9,042</u>	<u>16,239</u>
	11,852	19,473
Less allowance for doubtful accounts	<u>(10,839)</u>	<u>(11,576)</u>
Accounts receivable - net	<u>\$ 1,013</u>	<u>\$ 7,897</u>

FIDOS FOR FREEDOM, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE 7 - PROPERTY AND EQUIPMENT - NET

Property and equipment consists of the following at September 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Land	\$ 230,090	\$ 230,090
Building	259,464	259,464
Building improvements	435,664	421,824
Furniture and equipment	<u>26,282</u>	<u>26,281</u>
	951,500	937,659
Less: Accumulated depreciation	<u>410,326</u>	<u>379,209</u>
Property and equipment - net	<u>\$ 541,174</u>	<u>\$ 558,450</u>

Depreciation expense was \$31,116 and \$29,763 for the years ended September 30, 2018 and 2017, respectively.

NOTE 8 - NOTE PAYABLE

On August 3, 2018, the Organization obtained a \$57,544 unsecured note from Sandy Spring Bank, the proceeds of which were used to refinance the prior note from BB&T to replace the roof of the Organization's building. The note bears interest at 4.850% per annum. Principal and interest are payable in monthly installments of \$811 through maturity on August 3, 2025.

The balance of the loan at September 30, 2018 was \$56,974.

On November 21, 2014, the Organization obtained a \$100,000 promissory note from BB&T, the proceeds of which were used to replace the roof of the Organization's building. The Organization only withdrew \$90,000 of the available proceeds. The note was collateralized by the building. The note bore interest at prime plus 0.50% per annum. Prior to being paid off, principal and interest were payable in monthly installments of \$1,003 through maturity on November 21, 2019, at which any unpaid principal and interest would be due.

FIDOS FOR FREEDOM, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE 8 - NOTE PAYABLE (CONTINUED)

Aggregate annual maturities of the note payable over each of the next five years and thereafter are as follows:

Year Ending September 30,

2019	\$ 7,121
2020	7,472
2021	7,855
2022	8,250
2023	8,665
Thereafter	<u>17,611</u>
	<u>\$ 56,974</u>

NOTE 9 - NET ASSETS

Temporarily restricted net assets of \$0 and \$11,304 as of September 30, 2018 and 2017, respectively, consist of pledges received and receivable for the Organization's capital campaign.

NOTE 10 - LESSOR LEASES

The Organization leases office space to tenants under noncancelable operating leases with terms of two to five years. The amount office space leased out consists of approximately 47% of the building and improvements mentioned in Note 7. The Organization is responsible for all taxes, maintenance costs, insurance premiums, and, with the exception of their two largest tenants, utilities.

As of September 30, 2018, four of the ten leased spaces are on 1 – 5 year leases. The following is a schedule of future minimum rentals under the two long-term leases at September 30, 2018:

Year ending September 30,

2019	\$ 30,840
2020	<u>12,000</u>
	<u>\$ 42,840</u>

FIDOS FOR FREEDOM, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE 11 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Organization owns a building, which houses its office and operations. The Organization leases space from this building to tenants. Nearly 30% and 39% of its rent revenue and 11% and 14% of its total revenue and support for the years ended September 30, 2018 and 2017, respectively, are derived from the rent and utility reimbursement of two tenants. One tenant is on a month-to-month lease. One tenant, after being delinquent in its rent payments and utility reimbursements, which accounts for approximately 99% of the Organization's accounts receivables as of both September 30, 2018 and 2017, is making payments in a timelier manner. As a result, the Organization is forgiving their delinquent rent and utility charges over time.

NOTE 12 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 8, 2019, the date which the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment of the accompanying financial statements.