

**REMOTE AREA MEDICAL, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND 2015**

REMOTE AREA MEDICAL, INC.  
YEARS ENDED DECEMBER 31, 2016 AND 2015

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# Bible Harris Smith, P.C.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Remote Area Medical, Inc.

We have audited the accompanying financial statements of Remote Area Medical, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. We have also audited the accompanying consolidated financial statements of Remote Area Medical, Inc. (a nonprofit organization) and affiliate, Remote Area Medical Foundation, Inc., which comprise the consolidated statements of financial position as of December 31, 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related consolidated 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 audits. We conducted our audits 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 consolidated 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 consolidated 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 consolidated 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.

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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 Remote Area Medical, Inc. as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended, and the consolidated financial position of Remote Area Medical, Inc. and affiliate as of December 31, 2015, and the changes in its consolidated net assets and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Reporting Entity**

As discussed in Note 1 to the financial statements, the consolidated financial statements for the year ended December 31, 2015 include the accounts of Remote Area Medical Foundation, Inc. During the year ended December 31, 2015, Remote Area Medical Foundation, Inc. was dissolved and all assets transferred to Remote Area Medical, Inc. Our opinion is not modified with respect to that matter.

*Bible Harris Smith, P.C.*

Bible Harris Smith, P.C.  
Knoxville, Tennessee  
August 7, 2017

REMOTE AREA MEDICAL, INC.  
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2016	2015
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 3,245,154	2,650,872
Promises to Give	290,643	426,355
Prepaid Expenses	100,769	79,559
Short Term Investments	2,343,030	2,932,533
Property and Equipment, Net	5,931,088	5,474,713
Deposits	6,381	14,092
<b>TOTAL ASSETS</b>	<b>\$ 11,917,065</b>	<b>\$ 11,578,124</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 59,856	\$ 39,334
Accrued Liabilities	31,324	63,829
Due to Affiliates	27,957	52,206
<b>TOTAL LIABILITIES</b>	119,137	155,369
<b>NET ASSETS</b>		
Unrestricted	10,222,293	9,715,809
Temporarily Restricted	1,575,635	1,706,946
<b>TOTAL NET ASSETS</b>	11,797,928	11,422,755
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 11,917,065</b>	<b>\$ 11,578,124</b>

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

REMOTE AREA MEDICAL, INC.  
STATEMENTS OF ACTIVITIES

	Year Ended December 31,	
	2016	2015 Consolidated
UNRESTRICTED NET ASSETS		
Revenues and Other Increases:		
Public Support:		
General Contributions	2,632,896	\$ 1,999,832
Contributions of Services	2,300,000	1,700,000
Contributions of Materials, Property, and Facilities	7,593	762,149
Total Public Support	4,940,489	4,461,981
Investment Income	140,637	-
Net Assets Released From Restrictions	723,039	571,223
Total Revenues and Other Increases	5,804,165	5,033,204
Expenses and Losses:		
Program Services	4,552,735	3,814,266
Supporting Services:		
Management and General	442,948	513,664
Fund-Raising	301,998	296,701
Total Expenses	5,297,681	4,624,631
Loss on Disposition of Property	-	5,085
Investment Loss	-	97,902
Total Expenses and Losses	5,297,681	4,727,618
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	506,484	305,586
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	591,728	900,523
Net Assets Released From Restrictions	(723,039)	(571,223)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	(131,311)	329,300
INCREASE (DECREASE) IN NET ASSETS	375,173	634,886
NET ASSETS - BEGINNING	11,422,755	10,787,869
NET ASSETS - ENDING	\$ 11,797,928	\$11,422,755

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

REMOTE AREA MEDICAL, INC.  
STATEMENT OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2016			
	Total	Program Services	Management and General	Fund Raising
Donated Services:				
Medical Personnel	\$ 2,300,000	\$ 2,300,000	\$ -	\$ -
Direct Expedition Expenses	205,100	205,100	-	-
Salary and Benefits	1,207,134	734,251	287,293	185,590
Depreciation	634,636	634,636	-	-
Travel	229,985	222,468	3,577	3,940
Aviation	147,611	147,017	594	-
Office Supplies and Expenses	124,355	49,838	34,971	39,546
Insurance	82,867	59,668	20,266	2,933
Legal & Professional Fees	62,863	-	62,863	-
Miscellaneous	55,971	50,322	4,425	1,224
Public Relations and Fund Raising	50,926	367	-	50,559
Utilities	42,037	38,184	3,853	-
Postage and Delivery	29,670	10,036	2,885	16,749
Facilities	27,337	23,748	3,589	-
Registrations, Licenses and Fees	25,620	21,740	2,852	1,028
Credit Card and Other Service Fee:	15,002	12,695	2,307	-
Telephone	14,804	12,524	2,080	200
Repairs and Maintenance	14,167	13,792	375	-
Property Taxes	13,348	13,348	-	-
Conferences and Meetings	10,650	1,376	9,045	229
Equipment Rental	3,478	1,505	1,973	-
Contributed Materials	120	120	-	-
TOTAL EXPENSES	<u>\$ 5,297,681</u>	<u>\$ 4,552,735</u>	<u>\$ 442,948</u>	<u>\$ 301,998</u>

Continued on Page 6

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

REMOTE AREA MEDICAL, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Continued from Page 5

	Year Ended December 31, 2015			
	Total	Program Services	Management and General	Fund Raising
Donated Services:				
Medical Personnel	\$ 1,700,000	\$ 1,700,000	\$ -	\$ -
Direct Expedition Expenses	236,647	236,647	-	-
Salary and Benefits	976,118	523,630	344,611	107,877
Depreciation	644,037	644,037		
Grants to Affiliates	167,250	167,250	-	-
Travel	140,579	135,748	1,846	2,985
Public Relations and Fund Rai	129,704	2,708	-	126,996
Office Supplies and Expenses	119,831	49,008	41,653	29,170
Aviation	117,969	117,969	-	-
Legal & Professional Fees	87,719	13,657	59,062	15,000
Insurance	80,645	56,761	18,040	5,844
Miscellaneous	60,560	54,536	5,707	317
Utilities	39,208	35,572	3,636	-
Repairs and Maintenance	27,563	25,025	2,538	-
Registrations, Licenses and Fe	25,970	20,577	5,267	126
Telephone	17,261	7,630	9,453	178
Postage and Delivery	17,095	6,979	2,690	7,426
Facilities	13,597	2,462	11,135	-
Credit Card and Other Service	11,368	11,042	325	1
Conferences and Meetings	5,959	427	4,751	781
Equipment Rental	4,381	1,431	2,950	-
Interest Expense	1,170	1,170	-	-
	<u>1,170</u>	<u>1,170</u>	<u>-</u>	<u>-</u>
 TOTAL EXPENSES	 <u>\$ 4,624,631</u>	 <u>\$ 3,814,266</u>	 <u>\$ 513,664</u>	 <u>\$ 296,701</u>

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



REMOTE AREA MEDICAL, INC.  
STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2016	2015
		Consolidated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets	\$ 375,173	\$ 634,886
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) By Operating Activities		
Depreciation	634,636	644,037
Donated Property Included in Support	(500,000)	(690,000)
(Gain) or Loss on Disposition of Property	-	5,085
Donated Investments Included in Support	(58,966)	(341,827)
Reinvested Investment Earnings	(50,475)	(47,802)
Unrealized (Gain) Loss on Investments	(88,579)	173,525
(Increase) Decrease in Assets		
Promises to Give	135,712	(41,396)
Deposits	7,711	-
Prepaid Insurance	(21,210)	(5,794)
Increase (Decrease) in Liabilities		
Accounts Payable	20,522	(46,809)
Accrued Liabilities	(32,505)	43,801
Net Cash Provided (Used) By Operating Activities	422,019	327,706
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of Investments	787,523	1,098,552
Purchase of Investments	-	(2,961,406)
Purchase of Property and Equipment	(591,011)	(1,460,088)
Net Cash Provided (Used) By Investing Activities	196,512	(3,322,942)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Debt	-	(200,000)
Contributions due to Affiliate	(24,249)	52,206
Net Cash Provided (Used) By Financing Activities	(24,249)	(147,794)
NET INCREASE (DECREASE) IN CASH	594,282	(3,143,030)
CASH - BEGINNING	2,650,872	5,793,902
CASH - ENDING	3,245,154	2,650,872
Cash Paid for Interest	\$ -	\$ 1,170

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

REMOTE AREA MEDICAL, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

Note 1 - Summary of Significant Accounting Policies

Operations - Remote Area Medical, Inc. (RAM) is a nonprofit organization with headquarters in Knoxville, Tennessee, and is committed to providing mobile medical services in medically deprived areas throughout the world and the United States. RAM provides medical, dental, veterinary and ophthalmic services through a volunteer corps of doctors, veterinarians, nurses, and technicians. These volunteers go on expeditions mostly at their own expense, treating hundreds of patients a day. In addition to the services provided by medical volunteers, RAM is dependent upon the volunteer services of expedition support staff, contributions of supplies, equipment and medicines, and monetary support to fulfill its objectives.

In addition, RAM conducts a year round project in Guyana, South America, with primary emphasis on free air ambulance service for isolated villages in the wilderness interior. RAM conducts several medical missions to the region every year utilizing volunteer medical and support personnel. Some teams, usually surgical teams, work at a local hospital and others travel to small communities throughout the rainforest.

RAM's board initiated the creation of a nonprofit organization named Remote Area Medical Foundation, Inc. (RAMF). The purpose of RAMF was to raise money to fund the expeditions of RAM. In 2013, the Board of Remote Area Medical Foundation, Inc. resolved to dissolve and transfer all its assets to RAM. The process of dissolution included obtaining approval from the State of Tennessee Attorney General. The dissolution process was completed during the year ended December 31, 2015.

Principles of Consolidation - The 2015 consolidated financial statements include the accounts of Remote Area Medical Foundation, Inc. (collectively, the Organization) RAMF is consolidated with RAM since RAM has an economic interest in RAMF and common control exists. All material interorganizational transactions have been eliminated.

Income Tax Status – The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is made in the accompanying financial statements as the Organization has no net unrelated business income.

The Organization has adopted the authoritative guidance related to accounting for uncertainty in income taxes included in the ASC Topic *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2016, and determined that there were no matters that would require recognition in the financial statements or which may have any effect on its tax-exempt status. As of December 31, 2016, the statute of limitations for tax years 2013 through 2015 remains open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense. As of December 31, 2016, the Organization had no accruals for interest and/or penalties.

Basis of Presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (FASB) ASC 958-210 (formerly SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*). Under ASC 958-210, 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 - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Expense Allocation - The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Recognition of Donor Restrictions - Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When the purpose of the restriction has been accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the Statement of Activities as "Net Assets Released from Restrictions."

Cash and Cash Equivalents – The Organization's cash and cash equivalents include money market funds and certificates of deposit held at various financial institutions. For purposes of the statement of cash flows, the Organization considers certificates of deposits and highly liquid debt instruments to be cash equivalents, unless permanently restricted. The fair value of cash equivalents does not differ materially from the carrying value due to the short maturities of the instruments.

Property and Equipment - Purchased property and equipment is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support 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 support. Unless the donor has stipulated how long donated assets must be maintained, RAM reports the expiration of donor restrictions when the donated or acquired assets are placed in service; at that time, the assets are transferred from restricted net assets to unrestricted net assets.

Donated Services - The accomplishment of the Organization's mission is entirely dependent upon volunteers. RAM requires a staff of medical professionals who provide specialized treatment to patients. These professionals include physicians, registered nurses, dentists, veterinarians, and optometrists. The value of the services provided by such individuals is recorded in the financial statements based on national averages established by the United States Department of Labor.

The Organization's Founder and President serves the Organization virtually around the clock without compensation and is an internationally known speaker and television personality whose services would be extremely valuable in a commercial market. However, the President has not and will not accept compensation for his efforts on the Organization's behalf. Because it is impossible to place a monetary value on his services, the value of his time which has been donated to lead expeditions, recruit volunteers, and to raise funds for the Organization has not been reflected in these financial statements.

RAM also utilizes other volunteers to assist the medical professionals in the treatment of patients and in support of office operations. These donated services are not reflected in the financial statements but have an estimated value of approximately \$475,000 and \$600,000 for the years ended December 31, 2016 and 2015, respectively.

Donated Materials - Other noncash donations totaling \$7,593 and \$72,149 for the years ended December 31, 2016 and 2015, respectively, have been recorded as contributions in-kind and expenses in the financial statements. The value of perishable donated medical supplies and medicines are not reflected in the accompanying financial statements since there is no objective basis available to measure the value of such materials.

Travel In-Kind - The Organization's expeditions periodically require volunteers to travel to remote locations. In most situations, the volunteers are responsible for providing their own transportation resulting in an in-kind donation of travel costs. The value of these contributions is not reflected in the accompanying financial statements because information is not currently available to compute the amount of the expenses incurred.

Promises to Give - Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Fair Value Measurement – In determining fair value, FASB ASC 820-10 (formerly FASB No. 157, "Fair Value Measurements"), provides guidance for measuring fair value and required additional disclosures.

## Note 2 – Cash and Investments

The balances in Cash and Cash Equivalents and Investments at December 31 include:

	<u>2016</u>	<u>2015</u>
Cash and Cash Equivalents		
Bank Accounts	\$ 2,215,531	\$ 2,192,093
Securities Firm Cash and Certificates of Deposit	1,029,623	458,779
Total Cash and Cash Equivalents	<u>\$ 3,245,154</u>	<u>\$ 2,650,872</u>
Investments		
Securities Firm issued Savings Certificates	\$ -	\$ 221,859
Municipal and Corporate Bonds	65,989	71,816
Common Stocks and Options	17,292	425,503
Mutual Funds and Exchange Traded Funds	2,259,749	2,213,355
Total Investments	<u>\$ 2,343,030</u>	<u>\$ 2,932,533</u>

Cash held in bank accounts in excess of the Federal Deposit Insurance (FDIC) limit totaled approximately \$1,774,000 and \$1,762,000 at December 31, 2016 and 2015, respectively. In addition, cash and investments held in Securities Firms at December 31, 2016 and 2015 totaling approximately \$778,000 and \$184,000 respectively were not federally insured. The Securities Firms are members of the Securities Investor Protection Corporation (SIPC) which protects securities accounts up to a maximum of \$500,000 per customer, including \$250,000 in cash balances.

Investments are reported at fair value in the accompanying balance sheet. The fair value framework described in FASB ASC 820-10 requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to value the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels are defined as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.
- Level 2: Observable inputs other than those included in Level 1. For example, quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets. The fair value for Savings Certificates and Money Funds is the value reported to the Organization by the Securities Firms.
- Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

	Fair Value Measurement Using:			
	Fair Value	Level 1	Level 2	Level 3
<u>December 31, 2016</u>				
Bonds	\$ 65,989	\$ 65,989	\$ -	\$ -
Common Stocks	17,292	17,292	-	-
Mutual Funds and Exchange Traded Funds	<u>2,259,749</u>	<u>2,259,749</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,343,030</u>	<u>\$ 2,343,030</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2015</u>				
Savings Certificates	\$ 221,859	\$ -	\$ 221,859	\$ -
Bonds	\$ 71,816	71,816	-	-
Common Stocks	425,503	425,503	-	-
Mutual Funds	<u>2,213,355</u>	<u>2,213,355</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,932,533</u>	<u>\$ 2,710,674</u>	<u>\$ 221,859</u>	<u>\$ -</u>

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of the investments securities, it is at least reasonably possible that changes in market values in the near term would materially affect the fair value of the investments reported in the balance sheet at December 31, 2016.

The following summarizes the investment income in the statement of activities:

	December 31,	
	2016	2015
Interest and dividends	\$ 50,475	\$ 47,802
Unrealized (losses) gains	<u>88,307</u>	<u>(175,884)</u>
Total Investment Return	138,782	\$ (128,082)
Interest on Cash and Cash Equivalents	<u>1,855</u>	<u>30,180</u>
Total Investment Income (Loss)	<u>\$ 140,637</u>	<u>\$ (97,902)</u>

### Note 3 - Receivables

Promises to give at December 31, 2016 and 2015 are currently due and considered fully collectible.

### Note 4 - Property and Equipment

Property and equipment are depreciated using the straight-line method over forty years for real property and five to ten years for other property. It is the Organization's policy to expense additions to property and equipment with individual costs of less than \$1,000.

The Organization also had access to the use of three aircraft for a minimal yearly lease payment. These assets are not included in property and equipment as title is retained by the donors.

A recreational vehicle owned by a board member is kept on RAM's premises. It is used for housing at away clinics.

Property and equipment consisted of the following:

	December 31,	
	2016	2015
Aircraft	\$ 2,072,765	\$ 1,699,034
Medical Equipment	1,782,450	1,674,088
Buildings	1,642,886	1,634,227
Land	1,350,453	1,282,936
Vehicles and Mobile Equipment	1,367,852	1,374,855
Furniture	21,675	18,675
Property Held for Sale	500,000	-
Construction in Progress	37,230	486
Total	8,775,311	7,684,301
Less: Accumulated Depreciation	(2,844,223)	(2,209,588)
Net Book Value of Property and Equipment	<u>\$ 5,931,088</u>	<u>\$ 5,474,713</u>

Total property and equipment includes assets totaling \$0 and \$690,000 donated in fiscal years December 31, 2016 and 2015, respectively. The value of donated medical equipment is estimated by the medical professionals who work with RAM. The value of all other donated assets is determined with reference to published sources.

### Note 5 – Related Party Transactions

The Organization uses a company owned by a Board member to service aircraft. Amounts paid to this company totaled approximately \$25,000 and \$14,000 during the years ended December 31, 2016 and 2015. In addition, the Organization purchased approximately \$1,300 of equipment from a board member's store during the year ended December 31, 2015.

### Note 6 - Restrictions on Assets

Temporarily restricted net assets consist of cash equivalents and investments. They were available to be used for the following purposes:

	December 31,	
	2016	2015
USA Reach Across America	1,036,667	\$ 1,064,577
Veterinary Services and Equipment	266,547	285,169
Appalachia	153,305	166,413
Miscellaneous Designations	-	78,276
Disaster	66,594	57,620
Haiti	48,747	49,991
Aircraft Acquisition	-	3,155
Philippines	3,575	1,325
Building Fund	-	220
Africa Expedition	200	200
	<u>\$ 1,575,635</u>	<u>\$ 1,706,946</u>

#### Note 7 – Risks and Uncertainties Related to Foreign Operations

The Organization’s foreign operations are subject to various risks, including: compliance with foreign laws, economic or political uncertainties, oversight of the Organization’s activities, and oversight of Organization representatives.

#### Note 8 – Concentration

Approximately 37% and 35% of contributions during the years ended December 31, 2016 and 2015, respectively, were from five donors.

#### Note 9 – Retirement Plan

The Organization has established a Simple IRA defined contribution pension plan. Employees are eligible to participate after six months of continuous full time employment. The Organization matches employee contributions up to 3% of compensation. Pension expense for the year ended December 31, 2016 and 2015 totaled \$ 21,989 and \$ 5,826 , respectively.

#### Note 10 - Subsequent Events

Management has evaluated subsequent events through August 7, 2017, the date the financial statements were available to be issued.