

**ANGELS AMONG US PET  
RESCUE, INC.**

**FINANCIAL REPORT**

**DECEMBER 31, 2019 AND 2018**

**ANGELS AMONG US PET RESCUE, INC.**

**FINANCIAL REPORT  
DECEMBER 31, 2019 AND 2018**

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## INDEPENDENT AUDITOR'S REPORT

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**To the Board of Directors**  
**Angels Among Us Pet Rescue, Inc.**  
**Alpharetta, Georgia**

We have audited the accompanying financial statements of **Angels Among Us Pet Rescue, Inc.** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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 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 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 Angels Among Us Pet Rescue, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
November 4, 2020

# ANGELS AMONG US PET RESCUE, INC.

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>		
Current assets		
Cash and cash equivalents	\$ 898,716	\$ 891,795
Cash and cash equivalents - board designated	610,966	563,307
Prepaid expenses	28,767	23,236
	<u>1,538,449</u>	<u>1,478,338</u>
Property and equipment, net	-	2,566
Total assets	<u>\$ 1,538,449</u>	<u>\$ 1,480,904</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES</b>		
Current liabilities		
Accrued expenses	\$ 142,016	\$ 134,061
Deferred revenue	-	7,115
	<u>142,016</u>	<u>141,176</u>
Total liabilities	<u>142,016</u>	<u>141,176</u>
<b>NET ASSETS</b>		
Without donor restrictions	785,467	776,421
Without donor restrictions - board designated	610,966	563,307
	<u>1,396,433</u>	<u>1,339,728</u>
Total liabilities and net assets	<u>\$ 1,538,449</u>	<u>\$ 1,480,904</u>

See Notes to Financial Statements.

# ANGELS AMONG US PET RESCUE, INC.

## STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Support and revenue without donor restrictions		
Contributions	\$ 1,848,003	\$ 1,755,142
Life insurance proceeds	-	25,000
Adoption fees	405,615	373,827
Special events revenues	248,435	268,150
Merchandise sales	5,010	2,814
Interest income	870	793
	<u>2,507,933</u>	<u>2,425,726</u>
 Total support and revenue without donor restrictions	 <u>2,507,933</u>	 <u>2,425,726</u>
 Expenses		
Program services	2,003,190	1,785,519
 Supporting services		
Management and general	287,545	268,556
Fundraising	160,493	158,439
	<u>2,451,228</u>	<u>2,212,514</u>
 Total expenses	 <u>2,451,228</u>	 <u>2,212,514</u>
 Change in net assets without donor restrictions	 56,705	 213,212
 Net assets without donor restrictions, beginning of year	 <u>1,339,728</u>	 <u>1,126,516</u>
 Net assets without donor restrictions, end of year	 <u>\$ 1,396,433</u>	 <u>\$ 1,339,728</u>

**See Notes to Financial Statements.**

# ANGELS AMONG US PET RESCUE, INC.

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total Expenses</u>
		<u>Management and General</u>	<u>Fundraising</u>	
Salaries and wages	\$ 204,503	\$ 184,052	\$ 20,450	\$ 409,005
Contract services and fees	-	17,719	38,040	55,759
Advertising and promotion	-	10,468	9,979	20,447
Office expenses	-	13,291	-	13,291
Information technology	38,311	-	-	38,311
Occupancy	-	13,200	-	13,200
Depreciation	-	2,566	-	2,566
Insurance	-	8,882	-	8,882
Veterinarian care	1,708,347	-	-	1,708,347
Boarding and training	50,552	-	-	50,552
Transportation	1,477	-	-	1,477
Merchandise cost	-	19,553	-	19,553
Bank charges	-	767	-	767
Taxes and licenses	-	17,047	-	17,047
Special events expenses	-	-	92,024	92,024
Total expenses	<u>\$ 2,003,190</u>	<u>\$ 287,545</u>	<u>\$ 160,493</u>	<u>\$ 2,451,228</u>

See Notes to Financial Statements.

# ANGELS AMONG US PET RESCUE, INC.

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2018

	Supporting Services			Total Expenses
	Program Services	Management and General	Fundraising	
Salaries and wages	\$ 181,708	\$ 163,537	\$ 18,171	\$ 363,416
Contract services and fees	29,358	17,500	37,784	84,642
Advertising and promotion	-	8,859	-	8,859
Office expenses	-	11,848	-	11,848
Information technology	15,622	-	-	15,622
Occupancy	-	14,418	-	14,418
Depreciation	-	4,400	-	4,400
Insurance	-	4,905	-	4,905
Veterinarian care	1,377,872	-	-	1,377,872
Boarding and training	165,929	-	-	165,929
Transportation	10,560	-	-	10,560
Pet food and supplies	4,470	-	-	4,470
Merchandise cost	-	19,375	-	19,375
Bank charges	-	831	-	831
Taxes and licenses	-	22,883	-	22,883
Special events expenses	-	-	102,484	102,484
	\$ 1,785,519	\$ 268,556	\$ 158,439	\$ 2,212,514
Total expenses	\$ 1,785,519	\$ 268,556	\$ 158,439	\$ 2,212,514

**See Notes to Financial Statements.**

# ANGELS AMONG US PET RESCUE, INC.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Change in net assets without donor restrictions	\$ 56,705	\$ 213,212
Adjustments to reconcile change in net assets without donor restrictions to net cash and cash equivalents provided by operating activities:		
Depreciation	2,566	4,400
(Increase) decrease in assets		
Promises to give	-	2,500
Prepaid expenses	(5,531)	(5,891)
Increase (decrease) in liabilities		
Accrued expenses	7,955	112,016
Deferred revenue	(7,115)	(1,485)
	<b>54,580</b>	324,752
Net cash and cash equivalents provided by operating activities		
	<b>54,580</b>	324,752
Increase in cash and cash equivalents		
	<b>54,580</b>	324,752
Cash and cash equivalents, beginning of year	<b>1,455,102</b>	1,130,350
Cash and cash equivalents, end of year	<b>\$ 1,509,682</b>	\$ 1,455,102
Operating	<b>\$ 898,716</b>	\$ 891,795
Cash and cash equivalents - board designated	<b>610,966</b>	563,307
	<b>\$ 1,509,682</b>	\$ 1,455,102

**See Notes to Financial Statements.**



**ANGELS AMONG US PET RESCUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1. ORGANIZATION**

Angels Among Us Pet Rescue, Inc. (the “Organization”) is a nonprofit corporation formed in 2009 to conduct pet rescue activities. From 2009 to 2014 CareGiving Worldwide, Inc. (“CGW”) operated an animal rescue program as a fiscal agent of the Organization under the registered name of Angels Among Us Pet Rescue. Independent operations of the Organization commenced in 2014.

The Organization is dedicated to rescuing dogs and cats from shelters in Georgia, and operates through a network of foster homes in the metro Atlanta area.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Organization’s summary of significant accounting policies is presented to assist in understanding the Organization’s financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied. The financial statements and related notes are representations of the Organization’s management, who is responsible for their integrity and objectivity.

**Basis of Presentation**

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues are recognized when earned, and expenses are recognized when incurred.

**Cash and Cash Equivalents**

Cash and cash equivalents include all highly liquid investments purchased with an initial maturity of three months or less.

**Property and Equipment**

Property and equipment are carried at cost. Donated property and equipment are carried at approximate fair value at donation date. Expenditures of \$1,000 or more which prolong an asset’s useful life beyond two years are capitalized. The cost of assets retired or sold and their associated accumulated depreciation are removed from the accounts upon disposition, with any related gain or loss included in income. Depreciation is provided under the straight-line method over each asset’s estimated useful life.

**Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue Recognition

In accordance with FASB, unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. All contributions are available for general use unless specifically restricted by the donor. Amounts received that are designated for a future period or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met.

#### Deferred Revenue

Revenue is recognized when earned. Deferred revenue represents conditional sponsorship and ticket revenues received in advance of special events. There was deferred revenue of \$- and \$7,115 as of December 31, 2019 and 2018, respectively.

#### Functional Allocation of Expenses

The costs of providing the various program services and other activities have been summarized on a functional basis in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. General and administrative 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. The expenses that are allocated on the basis of time and effort include salaries, contract services and other expenses.

#### Income Taxes

The Organization is exempt from federal and state income taxes according to IRS Section 501(c)(3). The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Management has considered the tax positions in its tax returns and believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more likely-than-not to be sustained upon examination.

The Organization files Form 990 in the state of Georgia.

#### Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated reserve fund (see Note 5).

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Net Assets (Continued)

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, this is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There were no net assets with donor restrictions at December 31, 2019 and 2018, respectively.

#### Recent Accounting Pronouncements

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The update addresses changes in revenue recognition with an underlying core principle of recognizing a net realizable amount at the time of transfer of a good or service. The adoption of the new standard did not have an impact on the recognition of revenues for any period prior to adoption and has been adopted effective January 1, 2019 using the full retrospective approach. For the year ending December 31, 2019, the Organization adopted ASU 2014-09 and has adjusted the presentation in these financial statements accordingly. The adoption of the new standard did not have an effect on the presentation of the statement of activities or statement of financial position.

In June 2018, FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and establishes standards for characterizing contributions (nonreciprocal) subject to ASC Topic 958 or as exchange transactions (reciprocal) subject to ASC Topic 606. For the year ending December 31, 2019, the Organization adopted ASU 2018-08 and has adjusted the presentation in these financial statements accordingly. The adoption of ASU 2018-08 did not have an impact on the timing of the revenue recognition related to contributions or adoption fees.

In November 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-18, (Topic 230), *Statement of Cash Flows: Restricted Cash*. The Organization adopted the provisions of this new standard during the year ended December 31, 2019. The update requires that the statement of cash flows explains the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents have been included with cash and cash equivalents when reconciling the beginning of year and end of year cash total amounts shown on the accompanying statements of cash flows. The accompanying information from the 2018 financial statements has been adjusted to conform to the 2019 presentation and disclosure requirements of ASU 2016-18. This adjustment did not have an effect on total net assets or the change in net assets for 2018.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. PROPERTY AND EQUIPMENT

As of December 31, 2019 and 2018, property and equipment consisted of the following:

	2019	2018
Vehicles	\$ 21,999	\$ 21,999
Less accumulated depreciation	21,999	19,433
Property and equipment, net	\$ -	\$ 2,566

Depreciation expense for each of the years ended December 31, 2019 and 2018 was \$2,566 and \$4,400, respectively.

### NOTE 4. CONCENTRATIONS OF CREDIT RISK

At times during the year, the Organization maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation insurance limit. The Organization believes it is not exposed to any significant credit risk on cash.

### NOTE 5. CASH – BOARD DESIGNATED

During the year ended December 31, 2019, the Organization raised funds in the amount of \$47,659 and designated them for the purpose of purchasing a vehicle for transporting animals. During the year ended December 31, 2018, the Organization received donated proceeds from life insurance policies totaling \$25,000. The Board of the Organization has designated these funds and the related interest thereon, for use towards capital expenditures in the form of a building, shelter, vehicle or other facility. Management intends to undertake a campaign to obtain a facility in the future. These funds cannot be used towards operations without the Board's approval. The total board-designated cash totaled \$610,966 and \$563,307 at December 31, 2019 and 2018.

### NOTE 6. LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2019	2018
Cash and cash equivalents - undesignated	\$ 898,716	\$ 891,795
	\$ 898,716	\$ 891,795

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has an unrestricted cash to total liability ratio of 6.33 and 6.32 for the years ended June 30 2019 and 2018, respectively.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 7. ACCRUED EXPENSES**

The Organization uses multiple credit cards for everyday purchases. The Organization pays their credit cards balances before the monthly due date. Credit card balances at period end vary based on when and what types of purchases were made during the month.

Accrued expenses from credit cards totaled \$142,016 and \$134,061 at December 31, 2019 and 2018, respectively.

### **NOTE 8. SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through November 4, 2020, the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact the change in net assets. Other financial impacts could occur through the extent of potential impact is unknown at this time.

On April 23, 2020, the Organization qualified for and received a loan pursuant to the Payroll Protection Program, a program implemented under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender for an aggregate principal amount of \$77,808 (the "PPP Loan"). The PPP loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of twenty four months. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the Organization's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organization. The Organization intends to apply for forgiveness of the PPP Loan with respect to these covered expenses.