

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

FINANCIAL REPORT

DECEMBER 31, 2020

ANGELS AMONG US PET RESCUE, INC.

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INDEPENDENT AUDITOR'S REPORT

**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, 2020 and 2019, 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, 2020 and 2019, 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
July 26, 2021

ANGELS AMONG US PET RESCUE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 981,010	\$ 898,716
Cash and cash equivalents - board designated	611,251	610,966
Prepaid expenses	23,650	28,767
Total current assets	1,615,911	1,538,449
Property and equipment, net	72,425	-
Total assets	\$ 1,688,336	\$ 1,538,449
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Current liabilities		
Accrued expenses	\$ 157,160	\$ 142,016
Deferred revenue	22,700	-
Total current liabilities	179,860	142,016
Total liabilities	179,860	142,016
NET ASSETS		
Without donor restrictions	897,225	785,467
Without donor restrictions - board designated	611,251	610,966
Total net assets	1,508,476	1,396,433
Total liabilities and net assets	\$ 1,688,336	\$ 1,538,449

See Notes to Financial Statements.

ANGELS AMONG US PET RESCUE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Support and revenue without donor restrictions		
Contributions	\$ 1,778,959	\$ 1,848,003
Adoption fees	408,526	405,615
Special events revenues	94,003	248,435
Merchandise sales	285	5,010
Interest income	418	870
Gain on extinguishment of debt	77,808	-
	2,369,999	2,507,933
Expenses		
Program services	1,813,212	2,003,190
Supporting services		
Management and general	361,490	287,545
Fundraising	83,254	160,493
	2,257,956	2,451,228
Change in net assets without donor restrictions	112,043	56,705
Net assets without donor restrictions, beginning of year	1,396,433	1,339,728
Net assets without donor restrictions, end of year	\$ 1,508,476	\$ 1,396,433

See Notes to Financial Statements.

ANGELS AMONG US PET RESCUE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total Expenses</u>
		<u>Management and General</u>	<u>Fundraising</u>	
Salaries and wages	\$ 206,701	\$ 186,030	\$ 20,670	\$ 413,401
Contract services and fees	-	61,681	30,001	91,682
Advertising and promotion	-	15,660	-	15,660
Office expenses	-	16,281	-	16,281
Information technology	15,976	-	-	15,976
Occupancy	-	13,200	-	13,200
Insurance	-	29,345	-	29,345
Veterinarian care	1,548,809	-	-	1,548,809
Boarding and training	40,202	-	-	40,202
Transportation	1,524	-	-	1,524
Merchandise cost	-	17,166	-	17,166
Bank charges	-	3,027	-	3,027
Taxes and licenses	-	19,100	-	19,100
Special events expenses	-	-	32,583	32,583
Total expenses	<u>\$ 1,813,212</u>	<u>\$ 361,490</u>	<u>\$ 83,254</u>	<u>\$ 2,257,956</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.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Change in net assets without donor restrictions	\$ 112,043	\$ 56,705
Adjustments to reconcile change in net assets without donor restrictions to net cash and cash equivalents provided by operating activities:		
Depreciation	-	2,566
(Gain) on forgiveness of PPP loan	(77,808)	-
Decrease (increase) in assets		
Prepaid expenses	5,117	(5,531)
Increase (decrease) in liabilities		
Accrued expenses	15,144	7,955
Deferred revenue	22,700	(7,115)
	<u>77,196</u>	<u>54,580</u>
Net cash and cash equivalents provided by operating activities		
INVESTING ACTIVITIES		
Purchase of property and equipment	(72,425)	-
	<u>(72,425)</u>	<u>-</u>
Net cash and cash equivalents used by investing activities		
FINANCING ACTIVITIES		
Proceeds from PPP Loan	77,808	-
	<u>77,808</u>	<u>-</u>
Net cash and cash equivalents provided by financing activities		
Increase in cash and cash equivalents	82,579	54,580
Cash and cash equivalents, beginning of year	1,509,682	1,455,102
Cash and cash equivalents, end of year	<u>\$ 1,592,261</u>	<u>\$ 1,509,682</u>
CLASSIFIED AS:		
Cash and cash equivalents - operating	\$ 1,028,106	\$ 898,716
Cash and cash equivalents - board designated	564,155	610,966
	<u>\$ 1,592,261</u>	<u>\$ 1,509,682</u>

See Notes to Financial Statements.

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

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

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 \$22,700 and \$- as of December 31, 2020 and 2019, 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

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, 2020 and 2019, respectively.

NOTE 3. PROPERTY AND EQUIPMENT

As of December 31, 2020 and 2019, property and equipment consisted of the following:

	<u>2020</u>	<u>2019</u>
Vehicles	\$ 21,999	\$ 21,999
Construction in progress	72,425	-
Less accumulated depreciation	21,999	21,999
Property and equipment, net	<u>\$ 72,425</u>	<u>\$ -</u>

Depreciation expense for each of the years ended December 31, 2020 and 2019 was \$- and \$2,566, respectively. The addition to construction in progress is due to the commitment to purchase a van from Marshal Mize Ford. The van was 80% complete as of December 31, 2020.

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, 2020 the Organization earned \$285 in interest income on board designated cash. 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. 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 \$611,251 and \$610,966 at December 31, 2020 and 2019.

NOTES TO FINANCIAL STATEMENTS

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:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents - undesignated	<u>\$ 981,010</u>	<u>\$ 898,716</u>
	<u>\$ 981,010</u>	<u>\$ 898,716</u>

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 5.45 and 6.33 for the years ended June 30 2020 and 2019, respectively.

NOTE 7. ACCRUED EXPENSES

The Organization uses multiple credit card 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 \$93,992 and \$142,016 at December 31, 2020 and 2019, respectively.

NOTE 8. NOTE PAYABLE

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. During the year ended December 31, 2020, the Organization has used \$77,808 of the proceeds for purposes consistent with the PPP, resulting in recognition of \$77,808 as gain on the extinguishment of debt in the accompanying statement of activities. On February 9, 2021, the Organization was granted loan forgiveness for the full amount of the PPP Loan.

NOTE 9. EFFECTS OF COVID-19 CORONAVIRUS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the change in net assets. Other financial impacts could occur though the extent of potential impact is unknown at this time.

NOTE 10. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 26, 2021, the date the financial statements were available to be issued.