

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

FINANCIAL REPORT

DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2021 and 2020, and the related statements of activities, functional expenses, cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2020, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Angels Among Us Pet Rescue, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Angels Among Us Pet Rescue, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Angels Among Us Pet Rescue, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Angels Among Us Pet Rescue, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 21, 2022

ANGELS AMONG US PET RESCUE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
<u>ASSETS</u>		
Current assets		
Cash	\$ 1,164,552	\$ 981,010
Cash - board designated	664,211	611,251
Prepaid expenses	18,750	23,650
	1,847,513	1,615,911
Property and equipment, net	66,632	72,425
	\$ 1,914,145	\$ 1,688,336
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Current liabilities		
Accrued expenses	\$ 92,900	\$ 157,160
Deferred revenue	25,000	22,700
	117,900	179,860
Total current liabilities	117,900	179,860
Total liabilities	117,900	179,860
NET ASSETS		
Without donor restrictions	1,132,034	897,225
Without donor restrictions - board designated	664,211	611,251
	1,796,245	1,508,476
Total net assets	1,796,245	1,508,476
Total liabilities and net assets	\$ 1,914,145	\$ 1,688,336

See Notes to Financial Statements.

ANGELS AMONG US PET RESCUE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
REVENUES, GAINS, AND OTHER SUPPORT		
Contributions	\$ 1,568,601	\$ 1,778,959
Life insurance proceeds	50,000	-
Adoption fees	259,650	408,526
Special events revenues	144,039	94,003
Merchandise sales	-	285
Other income	10,000	10,000
Interest income	139	418
Gain on extinguishment of debt	-	77,808
	2,032,429	2,369,999
EXPENSES		
Program services	1,366,319	1,813,212
Supporting services		
Management and general	304,685	361,490
Fundraising	73,656	83,254
Total supporting services	378,341	444,744
Total expenses	1,744,660	2,257,956
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	287,769	112,043
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	1,508,476	1,396,433
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	\$ 1,796,245	\$ 1,508,476

See Notes to Financial Statements.

ANGELS AMONG US PET RESCUE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total Expenses</u>
		<u>Management and General</u>	<u>Fundraising</u>	
Salaries and wages	\$ 204,884	\$ 184,395	\$ 20,488	\$ 409,767
Contract services and fees	-	18,090	25,861	43,951
Advertising and promotion	-	6,245	-	6,245
Office expenses	-	13,276	-	13,276
Information technology	17,853	-	-	17,853
Occupancy	-	13,200	-	13,200
Depreciation	-	10,251	-	10,251
Insurance	-	35,929	-	35,929
Veterinarian care	993,331	-	-	993,331
Boarding and training	149,364	-	-	149,364
Transportation	95	-	-	95
Pet food and supplies	792	-	-	792
Bank charges	-	746	-	746
Taxes and licenses	-	22,553	-	22,553
Special events expenses	-	-	27,307	27,307
Total expenses	<u>\$ 1,366,319</u>	<u>\$ 304,685</u>	<u>\$ 73,656</u>	<u>\$ 1,744,660</u>

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.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
OPERATING ACTIVITIES		
Change in net assets without donor restrictions	\$ 287,769	\$ 112,043
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:		
Depreciation	10,251	-
(Gain) on forgiveness of PPP loan	-	(77,808)
Decrease in assets		
Prepaid expenses	4,900	5,117
Increase (decrease) in liabilities		
Accrued expenses	(64,260)	15,144
Deferred revenue	2,300	22,700
	240,960	77,196
INVESTING ACTIVITIES		
Purchase of property and equipment	(4,458)	(72,425)
	(4,458)	(72,425)
FINANCING ACTIVITIES		
Proceeds from PPP Loan	-	77,808
	-	77,808
Increase in cash	236,502	82,579
Cash, beginning of year	1,592,261	1,509,682
Cash, end of year	\$ 1,828,763	\$ 1,592,261
CLASSIFIED AS:		
Cash - operating	\$ 1,164,552	\$ 1,028,106
Cash - board designated	664,211	564,155
	\$ 1,828,763	\$ 1,592,261

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. 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. Depreciation is provided under the straight-line method over each asset’s estimated useful life. These lives are estimated at five years for vehicles. 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.

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 \$25,000 and \$22,700 as of December 31, 2021 and 2020, 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, 2021 and 2020, respectively.

NOTE 3. PROPERTY AND EQUIPMENT

As of December 31, 2021 and 2020, property and equipment consisted of the following:

	<u>2021</u>	<u>2020</u>
Vehicles	\$ 98,882	\$ 21,999
Construction in progress	-	72,425
	<u>98,882</u>	<u>94,424</u>
Less accumulated depreciation	<u>(32,250)</u>	<u>(21,999)</u>
Property and equipment, net	<u>\$ 66,632</u>	<u>\$ 72,425</u>

Depreciation expense for each of the years ended December 31, 2021 and 2020 was \$10,251 and \$-, 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, 2021 and 2020, the Organization earned \$139 and \$285, respectively, in interest income on board designated cash. The total board-designated cash totaled \$664,211 and \$611,251 at December 31, 2021 and 2020. 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.

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>2021</u>	<u>2020</u>
Cash - undesignated	<u>\$ 1,164,552</u>	<u>\$ 981,010</u>
	<u>\$ 1,164,552</u>	<u>\$ 981,010</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 9.88 and 5.45 for the years ended December 31, 2021 and 2020, 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 \$92,900 and \$93,992 at December 31, 2021 and 2020, respectively.

NOTE 8. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 21, 2022, the date the financial statements were available to be issued.