

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

FINANCIAL REPORT

DECEMBER 31, 2015

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 statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Year Basis of Accounting

The Organization has kept its records and has prepared its financial statements for previous years on the cash basis of accounting, which differs from the accrual basis by recognizing revenues and expenses as cash changes hand, rather than when revenues are earned and expenses are incurred. As described in Note 2 to the financial statements, the Organization has adopted accounting principles generally accepted in the United States of America as of the beginning of the current year. Although appropriate adjustments have been made to net assets as of that date, it was not practicable to determine what adjustments would be necessary in the financial statements of the preceding year to retrospectively adjust results of operations and cash flows to conform with the accounting principles used in the current year.

Atlanta, Georgia
May 25, 2016

ANGELS AMONG US PET RESCUE, INC.

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2015

<u>ASSETS</u>	
Current assets	
Cash and cash equivalents	\$ 765,236
Promises to give	35,000
Prepaid expenses	<u>10,500</u>
Total current assets	<u>810,736</u>
Property and equipment, net	<u>15,766</u>
Total assets	<u>\$ 826,502</u>
 <u>LIABILITIES AND NET ASSETS</u>	
Current liabilities	
Accounts payable	\$ 34,322
Accrued expenses	<u>18,156</u>
Total current liabilities	<u>52,478</u>
Total liabilities	<u>52,478</u>
Net assets	
Unrestricted	<u>774,024</u>
Total net assets	<u>774,024</u>
Total liabilities and net assets	<u>\$ 826,502</u>

See Notes to Financial Statements.

ANGELS AMONG US PET RESCUE, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2015

Unrestricted support and revenue		
Contributions	\$	3,268,823
Adoption fees		543,697
Special events revenues		148,588
Merchandise sales		33,778
Interest income		156
		<hr/>
Total unrestricted support and revenue		3,995,042
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Expenses		
Program services		3,400,598
Management and general		182,249
Fundraising		204,808
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Total expenses		3,787,655
		<hr/>
Change in unrestricted net assets		207,387
Unrestricted net assets, beginning of year		566,637
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Unrestricted net assets, end of year	\$	774,024
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See Notes to Financial Statements.

ANGELS AMONG US PET RESCUE, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries and wages	\$ 219,113	\$ 84,275	\$ 33,710	\$ 337,098
Contract services and fees	67,809	24,450	91,049	183,308
Advertising and promotion	-	6,855	12,486	19,341
Office expenses	-	10,690	-	10,690
Information technology	19,255	7,406	2,962	29,623
Occupancy	-	10,790	-	10,790
Depreciation	-	4,400	-	4,400
Insurance	-	3,348	-	3,348
Veterinarian care	2,772,869	-	-	2,772,869
Boarding, training, and transports	290,618	-	-	290,618
Pet food	30,934	-	-	30,934
Merchandise cost	-	27,031	-	27,031
Bank charges	-	1,838	-	1,838
Taxes and licenses	-	598	-	598
Other	-	568	-	568
Special events expenses	-	-	64,601	64,601
Total expenses	<u>\$ 3,400,598</u>	<u>\$ 182,249</u>	<u>\$ 204,808</u>	<u>\$ 3,787,655</u>

See Notes to Financial Statements.

ANGELS AMONG US PET RESCUE, INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2015

OPERATING ACTIVITIES

Change in unrestricted net assets	\$	207,387
Adjustments to reconcile change in unrestricted net assets to net cash and cash equivalents provided by operating activities:		
Depreciation		4,400
(Increase) in promises to give		(35,000)
(Increase) in prepaid expenses		(8,500)
Increase in accounts payable		1,764
Increase in accrued expenses		18,053
		<hr/>
Net cash and cash equivalents provided by operating activities		188,104
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Increase in cash and cash equivalents		188,104
Cash and cash equivalents, beginning of year		577,132
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Cash and cash equivalents, end of year	\$	765,236
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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 high-kill shelters in Georgia, and operates through a network of foster homes in the North 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.

Net Assets

The Organization presents its financial statements in accordance with the Financial Accounting Standards Board (FASB)’s *Financial Statements for Not-For-Profit Organizations*. Under this guidance, the Organization is required to report information regarding its financial position and activities according to three categories of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization had no temporarily restricted or permanently restricted net assets at December 31, 2015.

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 unrestricted 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 temporarily or permanently restricted support that increases those net asset classes. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met.

Donated materials and services are reflected as contributions in the accompanying financial statements at their fair values at the date of receipt. Donated services are recognized as contributions if the services (a) create or enhance the nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. A substantial number of volunteers donated significant amounts of their time to the Organization's program services and, to a lesser extent, its fundraising campaigns and administration. No amounts have been reflected in the statement of activities because the criteria for recognition of such volunteer efforts have not been satisfied.

Promises to Give

When a donor has unconditionally promised to contribute funds in future periods, the Organization recognizes the fair value of the promise. Promises expected to be collected within one year are recorded as a donation and a receivable at net realizable value, which approximates fair value. Promises expected to be collected in future years are recorded as a donation and a receivable at the present value of the expected future cash flows. Promises to give at December 31, 2015 were expected to be collected within one year. The Organization considers all promises to give at December 31, 2015 to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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.

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 3. PROPERTY AND EQUIPMENT

As of December 31, 2015, property and equipment consisted of the following:

Vehicles	\$	21,999
Less accumulated depreciation		<u>6,233</u>
Property and equipment, net	<u>\$</u>	<u>15,766</u>

Depreciation expense for the year ended December 31, 2015 was \$4,400.

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.

For the year ended December 31, 2015, approximately 15% of contribution revenue was from three donors.

NOTE 5. RELATED PARTY TRANSACTIONS

CareGiving Worldwide, Inc. (“CGW”), discussed in Note 1, operated as the Organization’s fiscal sponsor until April 2014. During the year ended December 31, 2015, CGW contributed approximately \$170,000 to the Organization.

NOTE 6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 25, 2016, the date the financial statements were available to be issued.