

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

FINANCIAL REPORT

DECEMBER 31, 2016 AND 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 statements of financial position as of December 31, 2016 and 2015, 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, 2016 and 2015, 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.

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Atlanta, Georgia
August 17, 2017

ANGELS AMONG US PET RESCUE, INC.

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 635,083	\$ 765,236
Promises to give	-	35,000
Prepaid expenses	14,950	10,500
	<u>650,033</u>	<u>810,736</u>
Total current assets		
Property and equipment, net	<u>11,366</u>	<u>15,766</u>
Total assets	<u>\$ 661,399</u>	<u>\$ 826,502</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 16,534	\$ 34,322
Accrued expenses	168,362	18,156
Deferred revenue	46,765	-
	<u>231,661</u>	<u>52,478</u>
Total current liabilities		
Total liabilities	<u>231,661</u>	<u>52,478</u>
Net assets		
Unrestricted	<u>429,738</u>	<u>774,024</u>
Total net assets	<u>429,738</u>	<u>774,024</u>
Total liabilities and net assets	<u>\$ 661,399</u>	<u>\$ 826,502</u>

See Notes to Financial Statements.

ANGELS AMONG US PET RESCUE, INC.

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Unrestricted support and revenue		
Contributions	\$ 2,076,381	\$ 3,268,823
Adoption fees	494,464	543,697
Special events revenues	226,622	148,588
Merchandise sales	19,823	33,778
Interest income	202	156
	<u>2,817,492</u>	<u>3,995,042</u>
Total unrestricted support and revenue		
Expenses		
Program services	2,765,968	3,400,598
Management and general	226,169	182,249
Fundraising	169,641	204,808
	<u>3,161,778</u>	<u>3,787,655</u>
Total expenses		
Change in unrestricted net assets	(344,286)	207,387
Unrestricted net assets, beginning of year	<u>774,024</u>	<u>566,637</u>
Unrestricted net assets, end of year	<u>\$ 429,738</u>	<u>\$ 774,024</u>

See Notes to Financial Statements.

ANGELS AMONG US PET RESCUE, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries and wages	\$ 309,839	\$ 113,117	\$ 45,247	\$ 468,203
Contract services and fees	4,511	22,600	69,379	96,490
Advertising and promotion	-	15,597	2,079	17,676
Office expenses	-	12,058	-	12,058
Information technology	5,830	2,242	897	8,969
Occupancy	-	13,336	-	13,336
Depreciation	-	4,400	-	4,400
Insurance	-	3,118	-	3,118
Veterinarian care	2,200,090	-	-	2,200,090
Boarding, training, and transports	236,773	-	-	236,773
Pet food	8,925	-	-	8,925
Merchandise cost	-	31,137	-	31,137
Bank charges	-	200	-	200
Taxes and licenses	-	7,554	-	7,554
Other	-	810	-	810
Special events expenses	-	-	52,039	52,039
Total expenses	<u>\$ 2,765,968</u>	<u>\$ 226,169</u>	<u>\$ 169,641</u>	<u>\$ 3,161,778</u>

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.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ (344,286)	\$ 207,387
Adjustments to reconcile change in unrestricted net assets to net cash and cash equivalents (used in) provided by operating activities:		
Depreciation	4,400	4,400
Decrease (increase) in promises to give	35,000	(35,000)
(Increase) in prepaid expenses	(4,450)	(8,500)
(Decrease) increase in accounts payable	(17,788)	1,764
Increase in accrued expenses	150,206	18,053
Increase in deferred revenue	46,765	-
	<u>(130,153)</u>	<u>188,104</u>
Net cash and cash equivalents (used in) provided by operating activities		
	(130,153)	188,104
(Decrease) increase in cash and cash equivalents		
Cash and cash equivalents, beginning of year	<u>765,236</u>	<u>577,132</u>
Cash and cash equivalents, end of year	<u>\$ 635,083</u>	<u>\$ 765,236</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 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, 2016 and 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 at the date of gift. 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 as of December 31, 2016 and 2015 are \$- and \$35,000, respectively. Promises to give were expected to be collected within one year in full. Accordingly, no allowance for doubtful accounts was required.

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 \$46,765 and \$- as of December 31, 2016 and 2015, respectively.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

NOTE 3. PROPERTY AND EQUIPMENT

As of December 31, 2016 and 2015, property and equipment consisted of the following:

	<u>2016</u>	<u>2015</u>
Vehicles	\$ 21,999	\$ 21,999
Less accumulated depreciation	10,633	6,233
Property and equipment, net	<u>\$ 11,366</u>	<u>\$ 15,766</u>

Depreciation expense for the each of the years ended December 31, 2016 and 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. For the years ended December 31, 2016 and 2015, CGW contributed approximately \$- and \$170,000 to the Organization, respectively.

NOTE 6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 17, 2017, the date the financial statements were available to be issued.