

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

FINANCIAL REPORT

DECEMBER 31, 2017 AND 2016

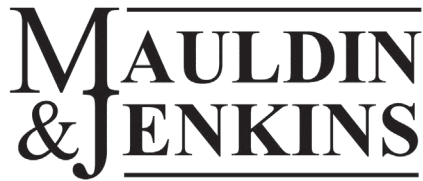
ANGELS AMONG US PET RESCUE, INC.

**FINANCIAL REPORT
DECEMBER 31, 2017 AND 2016**

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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, 2017 and 2016, 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, 2017 and 2016, 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 black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Atlanta, Georgia
June 28, 2018

ANGELS AMONG US PET RESCUE, INC.

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 592,595	\$ 635,083
Cash and cash equivalents - restricted	537,755	-
Promises to give	2,500	-
Prepaid expenses	17,345	14,950
	<u>1,150,195</u>	<u>650,033</u>
Total current assets		
Property and equipment, net	<u>6,966</u>	<u>11,366</u>
Total assets	<u>\$ 1,157,161</u>	<u>\$ 661,399</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ -	\$ 16,534
Accrued expenses	22,045	168,362
Deferred revenue	8,600	46,765
	<u>30,645</u>	<u>231,661</u>
Total current liabilities		
Total liabilities	<u>30,645</u>	<u>231,661</u>
Net assets		
Unrestricted		
Unrestricted	588,761	429,738
Unrestricted - board designated	537,755	-
	<u>1,126,516</u>	<u>429,738</u>
Total net assets		
Total liabilities and net assets	<u>\$ 1,157,161</u>	<u>\$ 661,399</u>

See Notes to Financial Statements.

ANGELS AMONG US PET RESCUE, INC.

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Unrestricted support and revenue		
Contributions	\$ 1,776,975	\$ 2,076,381
Life insurance proceeds	537,396	-
Adoption fees	418,306	494,464
Special events revenues	293,455	226,622
Merchandise sales	8,444	19,823
Interest income	536	202
	<u>3,035,112</u>	<u>2,817,492</u>
Total unrestricted support and revenue		
Expenses		
Program services	1,970,849	2,765,968
Management and general	196,669	226,169
Fundraising	170,816	169,641
	<u>2,338,334</u>	<u>3,161,778</u>
Total expenses		
Change in unrestricted net assets	696,778	(344,286)
Unrestricted net assets, beginning of year	<u>429,738</u>	<u>774,024</u>
Unrestricted net assets, end of year	<u>\$ 1,126,516</u>	<u>\$ 429,738</u>

See Notes to Financial Statements.

ANGELS AMONG US PET RESCUE, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries and wages	\$ 230,671	\$ 88,720	\$ 35,489	\$ 354,880
Contract services and fees	9,210	17,300	48,088	74,598
Advertising and promotion	-	11,118	559	11,677
Office expenses	-	9,600	-	9,600
Information technology	3,459	1,330	532	5,321
Occupancy	-	15,255	-	15,255
Depreciation	-	4,400	-	4,400
Insurance	-	2,962	-	2,962
Veterinarian care	1,561,562	-	-	1,561,562
Boarding, training, and transports	156,985	-	-	156,985
Pet food	8,962	-	-	8,962
Merchandise cost	-	15,729	-	15,729
Bank charges	-	611	-	611
Taxes and licenses	-	16,752	-	16,752
Other	-	76	-	76
In-kind services	-	12,816	-	12,816
Special events expenses	-	-	86,148	86,148
Total expenses	<u>\$ 1,970,849</u>	<u>\$ 196,669</u>	<u>\$ 170,816</u>	<u>\$ 2,338,334</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.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 696,778	\$ (344,286)
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	(2,500)	35,000
(Increase) in prepaid expenses	(2,395)	(4,450)
(Decrease) in accounts payable	(16,534)	(17,788)
Increase (decrease) in accrued expenses	(146,317)	150,206
Increase (decrease) in deferred revenue	(38,165)	46,765
	<u>495,267</u>	<u>(130,153)</u>
Net cash and cash equivalents (used in) provided by operating activities		
	495,267	(130,153)
(Decrease) increase in cash and cash equivalents		
Cash and cash equivalents, beginning of year	<u>635,083</u>	<u>765,236</u>
Cash and cash equivalents, end of year	<u>\$ 1,130,350</u>	<u>\$ 635,083</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 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, 2017 and 2016.

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. The Organization had \$12,816 in donated services during the year ended December 31, 2017.

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, 2017 and 2016 are \$2,500 and \$-, 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 \$8,600 and \$46,765 as of December 31, 2017 and 2016, 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, 2017 and 2016, property and equipment consisted of the following:

	<u>2017</u>	<u>2016</u>
Vehicles	\$ 21,999	\$ 21,999
Less accumulated depreciation	15,033	10,633
Property and equipment, net	<u>\$ 6,966</u>	<u>\$ 11,366</u>

Depreciation expense for each of the years ended December 31, 2017 and 2016 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.

NOTE 5. RESTRICTED CASH

During the year ended December 31, 2017, the Organization received donated proceeds from life insurance policies totaling \$537,396. The Board of the Organization has restricted these funds, and the related interest thereon, for use towards capital expenditures in the form of a building, shelter 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.

NOTE 6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 28, 2018, the date the financial statements were available to be issued.

During March 2018, the Organization reached a settlement to pay \$11,073 to end its business relationship with a company providing online store services to the Organization. There was no contingent liability associated with this legal agreement as of December 31, 2017.