

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

**FINANCIAL REPORT**

**DECEMBER 31, 2018 AND 2017**

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

**FINANCIAL REPORT  
DECEMBER 31, 2018 AND 2017**

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## INDEPENDENT AUDITOR'S REPORT

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**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, 2018 and 2017, 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, 2018 and 2017, 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  
November 12, 2019

# ANGELS AMONG US PET RESCUE, INC.

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<b><u>ASSETS</u></b>		
Current assets		
Cash and cash equivalents	\$ 891,795	\$ 592,595
Cash and cash equivalents - board designated	563,307	537,755
Promises to give	-	2,500
Prepaid expenses	23,236	17,345
	<u>1,478,338</u>	<u>1,150,195</u>
Total current assets		
Property and equipment, net	<u>2,566</u>	<u>6,966</u>
Total assets	<u>\$ 1,480,904</u>	<u>\$ 1,157,161</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current liabilities		
Accrued expenses	\$ 134,061	\$ 22,045
Deferred revenue	7,115	8,600
	<u>141,176</u>	<u>30,645</u>
Total current liabilities		
Total liabilities	<u>141,176</u>	<u>30,645</u>
Net assets		
Without donor restrictions	776,421	588,761
Without donor restrictions - board designated	563,307	537,755
	<u>1,339,728</u>	<u>1,126,516</u>
Total net assets		
Total liabilities and net assets	<u>\$ 1,480,904</u>	<u>\$ 1,157,161</u>

**See Notes to Financial Statements.**

# ANGELS AMONG US PET RESCUE, INC.

## STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Support and revenue without donor restrictions		
Contributions	\$ 1,755,142	\$ 1,776,975
Life insurance proceeds	25,000	537,396
Adoption fees	373,827	418,306
Special events revenues	268,150	293,455
Merchandise sales	2,814	8,444
Interest income	793	536
	<u>2,425,726</u>	<u>3,035,112</u>
 Total support and revenue without donor restrictions	 <u>2,425,726</u>	 <u>3,035,112</u>
 Expenses		
Program services	1,785,519	1,970,849
 Supporting services		
Management and general	268,556	196,669
Fundraising	158,439	170,816
	<u>2,212,514</u>	<u>2,338,334</u>
 Total expenses	 <u>2,212,514</u>	 <u>2,338,334</u>
 Change in net assets without donor restrictions	 213,212	 696,778
 Net assets without donor restrictions, beginning of year	 <u>1,126,516</u>	 <u>429,738</u>
 Net assets without donor restrictions, end of year	 <u>\$ 1,339,728</u>	 <u>\$ 1,126,516</u>

**See Notes to Financial Statements.**

# ANGELS AMONG US PET RESCUE, INC.

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total Expenses</u>
		<u>Management and General</u>	<u>Fundraising</u>	
Salaries and wages	\$ 181,708	\$ 163,537	\$ 18,171	\$ 363,416
Contract services and fees	29,358	17,500	37,784	84,642
Advertising and promotion	-	8,859	-	8,859
Office expenses	-	11,848	-	11,848
Information technology	15,622	-	-	15,622
Occupancy	-	14,418	-	14,418
Depreciation	-	4,400	-	4,400
Insurance	-	4,905	-	4,905
Veterinarian care	1,377,872	-	-	1,377,872
Boarding and training	165,929	-	-	165,929
Transportation	10,560	-	-	10,560
Pet food and supplies	4,470	-	-	4,470
Merchandise cost	-	19,375	-	19,375
Bank charges	-	831	-	831
Taxes and licenses	-	22,883	-	22,883
Special events expenses	-	-	102,484	102,484
Total expenses	<u>\$ 1,785,519</u>	<u>\$ 268,556</u>	<u>\$ 158,439</u>	<u>\$ 2,212,514</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 Services</u>	<u>Supporting Services</u>		<u>Total Expenses</u>
		<u>Management and General</u>	<u>Fundraising</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	-	9,676	-	9,676
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 and training	156,985	-	-	156,985
Pet food and supplies	8,962	-	-	8,962
Merchandise cost	-	15,729	-	15,729
Bank charges	-	611	-	611
Taxes and licenses	-	16,752	-	16,752
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.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets without donor restrictions	\$ 213,212	\$ 696,778
Adjustments to reconcile change in net assets without donor restrictions to net cash and cash equivalents provided by operating activities:		
Depreciation	4,400	4,400
Decrease (increase) in promises to give	2,500	(2,500)
(Increase) in prepaid expenses	(5,891)	(2,395)
(Decrease) in accounts payable	-	(16,534)
Increase (decrease) in accrued expenses	112,016	(146,317)
(Decrease) in deferred revenue	(1,485)	(38,165)
	<u>324,752</u>	<u>495,267</u>
Net cash and cash equivalents provided by operating activities		
	<u>324,752</u>	495,267
Increase in cash and cash equivalents		
	<u>1,130,350</u>	635,083
Cash and cash equivalents, beginning of year		
	<u>\$ 1,455,102</u>	<u>\$ 1,130,350</u>
Cash and cash equivalents, end of year		

See Notes to Financial Statements.



# ANGELS AMONG US PET RESCUE, INC.

## NOTES TO FINANCIAL STATEMENTS

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### **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.

#### **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

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### 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.

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 \$- and \$12,816 in donated services during the years ended December 31, 2018 and 2017, respectively.

#### 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, 2018 and 2017 are \$- and \$ 2,500, respectively. Promises to give outstanding at December 31, 2017 were received in full during 2018. 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 \$7,115 and \$8,600 as of December 31, 2018 and 2017, respectively.

#### Functional Allocation of 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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).

*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, 2018 and 2017, respectively.

#### Recent Accounting Pronouncements

In August 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented, which did not have an effect on total net assets or change in net assets for the year ended December 31, 2017.

### NOTE 3. PROPERTY AND EQUIPMENT

As of December 31, 2018 and 2017, property and equipment consisted of the following:

	<u>2018</u>	<u>2017</u>
Vehicles	\$ 21,999	\$ 21,999
Less accumulated depreciation	19,433	15,033
Property and equipment, net	<u>\$ 2,566</u>	<u>\$ 6,966</u>

Depreciation expense for each of the years ended December 31, 2018 and 2017 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.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 5. CASH – BOARD DESIGNATED**

During the year ended December 31, 2018 and 2017, the Organization received donated proceeds from life insurance policies totaling \$25,000 and \$537,396, respectively. 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 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 \$563,307 and \$537,755 at December 31, 2018 and 2017, respectively.

### **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:

Cash and cash equivalents	\$	891,795
	<u>\$</u>	<u>891,795</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.

### **NOTE 7. ACCRUED EXPENSES**

The Organization uses multiple credit cards 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 \$134,061 and \$22,045 at December 31, 2018 and 2017, respectively.

### **NOTE 8. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 12, 2019, the date the financial statements were available to be issued.