

INTERNATIONAL ANIMAL RESCUE US, INC

FINANCIAL STATEMENTS

DECEMBER 31, 2020

INTERNATIONAL ANIMAL RESCUE US, INC

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INDEPENDENT ACCOUNTANT'S AUDIT REPORT

To the Board of Directors of
International Animal Rescue, US

We have audited the accompanying financial statements of International Animal Rescue, US (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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 the 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

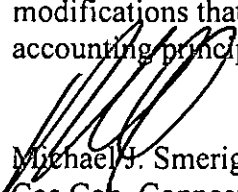
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 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 International Animal Rescue US as of December 31, 2020. Based on our audit, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Michael J. Smeriglio III, CPA
Cos Cob, Connecticut
March 24, 2021

INTERNATIONAL ANIMAL RESCUE US, INC
STATEMENT OF FINANCIAL POSITION
As of December 31, 2020

	<u>12/31/2020</u>
<u>Assets:</u>	
<u>Current Assets</u>	
Cash and cash equivalent	\$ 339,947
Other Receivable	2,675
Total Current Assets	<u>342,622</u>
<u>Property and Equipment, net</u>	<u>120,005</u>
Total Assets	\$ <u>462,627</u>
<u>Liabilities and Net Assets:</u>	
<u>Current Liabilities</u>	
Accounts Payable	\$ 12,303
Intercompany Payable	427
Total Current Liabilities	<u>12,730</u>
<u>Net Assets</u>	
Unrestricted Net Assets	432,097
Temporarily Restricted Net Assets	17,800
Total Net Assets	<u>449,897</u>
Total Liabilities and Net Assets	\$ <u>462,627</u>

See accompanying notes and independent auditor's report

INTERNATIONAL ANIMAL RESCUE US, INC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended December 31, 2020

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support and Revenue</u>			
Major Gifts	\$	\$ 446,435	\$ 446,435
Donor Appeals	960,447	96,280	1,056,727
Fundraising Events	4,513		4,513
Net assets released from restrictions:			
Satisfaction of program restrictions	542,715	(542,715)	0
 Total Support and Revenue	 1,507,675	 0	 1,507,675
 <u>Functional Expenses</u>			
Program Services	1,242,001		1,242,001
Management and General	81,355		81,355
Fundraising	195,632		195,632
 Total Expenses	 1,518,988		 1,518,988
 <u>Change in Net Assets</u>	 (11,313)	 -	 -11,313
 <u>Net Assets - Beginning of year</u>	 443,410	 17,800	 461,210
 <u>Net Assets - End of year</u>	 \$ 432,097	 \$ 17,800	 \$ 449,897

INTERNATIONAL ANIMAL RESCUE US, INC
STATEMENT OF CASH FLOWS
For the year ended December 31, 2020

Cash Flows From Operating Activities:

<u>Change in net assets</u>	\$ (11,314)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,687
Purchase of Fixed Assets	(2,109)
Increase in assets:	
Other Receivable	2,868
Increase in liabilities	
Accounts Payable & Accrued expenses	(12,712)
Intercompany Payable	(49,912)
Net cash provided by Operating Activities	<u>(70,492)</u>
Net Increase in Cash and Cash Equivalents	(70,492)
Cash and Cash Equivalents, Beginning of year	<u>410,439</u>
Cash and Cash Equivalents, End of year	<u>\$ 339,947</u>

INTERNATIONAL ANIMAL RESCUE US, INC
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Indonesia donations	\$ 626,440	\$	\$	\$ 626,440
Salaries and Payroll Tax	27,379	9,126	24,337	60,842
Mailing House	61,668		61,667	123,335
Costa Rica donations	296,148			296,148
Postage - Appeals	16,763		16,763	33,526
Postage - Recruitment	25,658		25,658	51,316
Postage		782	782	1,564
Response handling		1,900	4,434	6,334
Response handling - Appeals		3,255	7,595	10,850
Professional fees		18,059		18,059
Office expense		30,947		30,947
Bank and credit card charges		9,174		9,174
Travel	379	47	47	473
Fundraising events			351	351
Depreciation		2,687		2,687
Payroll service expense		1,629		1,629
Telephone and internet		3,749		3,749
Animal Sponsorship Costs			1,630	1,630
Fundraising Services			34,800	34,800
Creative & Design	2,500		2,500	5,000
List Rental	15,025		15,026	30,051
Advertising Costs	41		42	83
Amenia Donations	70,000			70,000
India Bear Donations	100,000			100,000
Total Functional Expenses	\$ 1,242,001	\$ 81,355	\$ 195,632	\$ 1,518,988

INTERNATIONAL ANIMAL RESCUE US, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. Nature and Purpose of Operations

International Animal Rescue US, Inc (the "Organization") is a non-profit organization that was established in April 2001 under the laws of the Commonwealth of Virginia. The Organization was formed to assist in the preservation of animals throughout the world, with special emphasis to rescue animals in distress, to educate, support, train and equip those involved in the rescue efforts; to encourage the development and education of dedicated, knowledgeable and responsible animal rescue groups in the United States and throughout the world; and to establish a national depository for information concerning animal rescue and care. The Organization's main programs at the present time are: the life-long care and protection of Indian Sloth Bears that have been rescued from the bear dancing trade and providing financial assistance to those entities involved in the rescue and maintenance of that endangered species; and the rescuing and rehabilitation of orangutans, macaques and slow lorises and releasing them back into the protected areas in the wild of Indonesia. The public information program focuses on the Organization's communication activities such as the Organization's website, publication of the annual review and periodic mailings.

NOTE 2. Significant Accounting Policies

Basis of Presentation

The Organization's financial statements have been presented in accordance with accounting principles generally accepted in the United States of America, which require the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization had no permanently or temporarily restricted net assets at December 31, 2020.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of the accounting in accordance with accounting principles generally accepted in the United States of America.

INTERNATIONAL ANIMAL RESCUE US, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 (CONTINUED)

NOTE 2. Significant Accounting Policies (continued)

Cash and Cash Equivalents

All highly liquid investments, which have an original maturity of three months or less at the time of purchase, are considered cash equivalent.

Fair Value Measurement – Current Assets and Liabilities

As required by the fair value measurement guidance under generally accepted accounting principles, the amounts recognized for all current assets and liabilities, due to their short-term nature, approximate their fair values.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of the depreciable property.

Income Taxes

The Organization is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for income taxes in the accompanying financial statements.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2018, 2019 and 2020 are subject to examination by the IRS, generally for three years after they were filed.

Advertising

Advertising costs are charged to operations as the expense is incurred.

Allocation of Expenses

Expenses are allocated among program and supporting services directly or on the basis of time records and utilization estimates made by the International Animal Rescue US, Inc management. 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.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual amounts could differ from those estimates.

INTERNATIONAL ANIMAL RESCUE US, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 20 (CONTINUED)

NOTE 3. Property and Equipment

Property and equipment consist of the following as of December 31, 2020:

Freehold Property	\$ 124,109
Office Equipment	1,786
Less accumulated depreciation	<u>(5,890)</u>
	<u>\$ 120,005</u>

Depreciation expense for the year ended December 31, 2020 was \$2,686.

NOTE 4. Related Party Activities

International Animal Organization (IAR) is headquartered in the United Kingdom. They are affiliated with the Organization and have provided substantial financial support to the Organization in previous years. In 2020, IAR did not make contributions to the Organization. IAR management provides administrative and accounting support for the Organization.

Yayasan IAR Indonesia (YIAR) is headquartered in Indonesia. Their primary mission is to rescue and rehabilitate orangutans in Borneo. They are affiliated with the Organization which provides donations to YIAR. In 2020, IAR made contributions of \$626,440 to the YIAR.

NOTE 5. Temporarily Restricted Net Assets

During 2020, IAR received restricted contributions from donors totaling \$542,715 to be used for specific areas of work including; IAR's work with primates and their habitats in Indonesia and Costa Rica, along with helping abused bears in India & Armenia. Net assets totaling \$542,715 were released to the projects from restricted funds as of December 31, 2020. These expenses satisfied the purpose(s) specified by the donors.

Balance, December 31, 2019	\$ 17,800
2020 Donations	542,715
2020 Expenditures	<u>- 542,715</u>
Balance, December 31, 2020	<u>\$ 17,800</u>

NOTE 6. Donated Services

Donated services are recorded when there is an objective basis available to measure their value. For the year ended December 31, 2020, there was no value donated services. A substantial number of unpaid volunteers donated significant amounts of their time in the Organization's programs. No amounts have been recognized in the statement of activities because the criteria for recognition under Statement of Financial Accounting Standard, "Accounting for Contributions Received and Contributions Made," have not been satisfied.

INTERNATIONAL ANIMAL RESCUE US, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 (CONTINUED)

NOTE 7. Functional Expenses

Expenses, as presented on the statement of functional expenses, are shown by functional classification. Methods used in allocating these expenses include actual expenses incurred and the percentage of employees' time spent in each functional category.

NOTE 8. Subsequent Events

Management has evaluated subsequent events considered in the preparation of these financial statements through April 4, 2021, the date on which the financial statements were available to be issued. There were no subsequent events that require adjustment or disclosure in the financial statements.