

INTERNATIONAL ANIMAL RESCUE US, INC

FINANCIAL STATEMENTS

DECEMBER 31, 2021

**INTERNATIONAL ANIMAL RESCUE US, INC**

**TABLE OF CONTENTS**

**DECEMBER 31, 2021**

|                                                   | <b><u>PAGE(s)</u></b> |
|---------------------------------------------------|-----------------------|
| Independent Accountant's Auditor's Report         | 1                     |
| Financial Statements:                             |                       |
| Statement of Financial Position                   | 2                     |
| Statement of Activities and Changes in Net Assets | 3                     |
| Statement of Cash Flows                           | 4                     |
| Statement of Functional Expenses                  | 5                     |
| Notes of Financial Statements                     | 6-9                   |

## **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, 2021, 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**

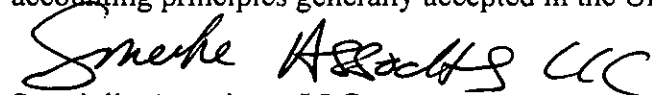
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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, 2021. 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.



Smeriglio Associates, LLC

Cos Cob, Connecticut

February 28, 2022

**INTERNATIONAL ANIMAL RESCUE US, INC**  
**STATEMENT OF FINANCIAL POSITION**  
**As of December 31, 2021**

|                                           | <u><b>12/31/2021</b></u> |
|-------------------------------------------|--------------------------|
| <u><b>Assets:</b></u>                     |                          |
| <u>Current Assets</u>                     |                          |
| Cash and cash equivalent                  | \$ 420,212               |
| Other Receivable                          | 107,521                  |
| Total Current Assets                      | <u>527,733</u>           |
| <u>Property and Equipment, net</u>        | <u>122,824</u>           |
| <b>Total Assets</b>                       | <b>\$ <u>650,557</u></b> |
| <u><b>Liabilities and Net Assets:</b></u> |                          |
| <u>Current Liabilities</u>                |                          |
| Accounts Payable                          | \$ 9,136                 |
| Intercompany Payable                      | 326                      |
| Total Current Liabilities                 | <u>9,462</u>             |
| <u>Net Assets</u>                         |                          |
| Unrestricted Net Assets                   | 473,295                  |
| Temporarily Restricted Net Assets         | 167,800                  |
| Total Net Assets                          | <u>641,095</u>           |
| <b>Total Liabilities and Net Assets</b>   | <b>\$ <u>650,557</u></b> |

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, 2021**

|                                           | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Total</u>      |
|-------------------------------------------|---------------------|-----------------------------------|-------------------|
| <u>Support and Revenue</u>                |                     |                                   |                   |
| Major Gifts                               | \$                  | \$ 330,000                        | \$ 330,000        |
| Donor Appeals                             | 1,184,458           | 49,000                            | 1,233,458         |
| Fundraising Events                        | 4,423               |                                   | 4,423             |
| Net assets released from restrictions:    |                     |                                   |                   |
| Satisfaction of program restrictions      | 229,000             | (229,000)                         | 0                 |
| Total Support and Revenue                 | <u>1,417,881</u>    | <u>150,000</u>                    | <u>1,567,881</u>  |
| <br><u>Functional Expenses</u>            |                     |                                   |                   |
| Program Services                          | 1,078,739           |                                   | 1,078,739         |
| Management and General                    | 94,355              |                                   | 94,355            |
| Fundraising                               | 203,589             |                                   | 203,589           |
| Total Expenses                            | <u>1,376,683</u>    | <u></u>                           | <u>1,376,683</u>  |
| <br><u>Change in Net Assets</u>           | 41,198              | 150,000                           | 191,198           |
| <br><u>Net Assets - Beginning of year</u> | <u>432,097</u>      | <u>17,800</u>                     | <u>449,897</u>    |
| <br><u>Net Assets - End of year</u>       | \$ <u>473,295</u>   | \$ <u>167,800</u>                 | \$ <u>641,095</u> |

**INTERNATIONAL ANIMAL RESCUE US, INC**  
**STATEMENT OF CASH FLOWS**  
**For the year ended December 31, 2021**

Cash Flows From Operating Activities:

|                                                                                             |                          |
|---------------------------------------------------------------------------------------------|--------------------------|
| <u>Change in net assets</u>                                                                 | \$ 191,198               |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                          |
| Depreciation                                                                                | 2,980                    |
| Purchase of Fixed Assets                                                                    | (5,799)                  |
| Increase in assets:                                                                         |                          |
| Other Receivable                                                                            | (104,846)                |
| Decrease in liabilities                                                                     |                          |
| Accounts Payable & Accrued expenses                                                         | (3,167)                  |
| Intercompany Payable                                                                        | (101)                    |
| Net cash provided by Operating Activities                                                   | <u>80,265</u>            |
| Net Increase in Cash and Cash Equivalents                                                   | 80,265                   |
| Cash and Cash Equivalents, Beginning of year                                                | <u>339,947</u>           |
| Cash and Cash Equivalents, End of year                                                      | <u><u>\$ 420,212</u></u> |

**INTERNATIONAL ANIMAL RESCUE US, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended December 31, 2021

|                                  | <u>Program</u><br><u>Services</u> | <u>Management</u><br><u>and General</u> | <u>Fundraising</u> | <u>Total Expenses</u> |
|----------------------------------|-----------------------------------|-----------------------------------------|--------------------|-----------------------|
| Indonesia donations              | \$ 371,859                        | \$                                      | \$                 | \$ 371,859            |
| Salaries and Payroll Tax         | 27,011                            | 9,004                                   | 24,010             | 60,025                |
| Mailing House                    | 60,541                            |                                         | 60,541             | 121,082               |
| Costa Rica donations             | 349,118                           |                                         |                    | 349,118               |
| Postage - Appeals                | 18,482                            |                                         | 18,482             | 36,964                |
| Postage - Recruitment            | 31,064                            |                                         | 31,064             | 62,128                |
| Postage                          |                                   | 554                                     | 554                | 1,108                 |
| Response handling                |                                   | 2,370                                   | 5,529              | 7,899                 |
| Response handling - Appeals      |                                   | 3,569                                   | 8,328              | 11,897                |
| Professional fees                |                                   | 19,510                                  |                    | 19,510                |
| Office expense                   |                                   | 1,540                                   |                    | 1,540                 |
| Bank and credit card charges     |                                   | 30,248                                  |                    | 30,248                |
| Travel                           | 430                               | 54                                      | 53                 | 537                   |
| Fundraising events               |                                   |                                         | 87                 | 87                    |
| Depreciation                     |                                   | 2,980                                   |                    | 2,980                 |
| Payroll service expense          |                                   | 1,734                                   |                    | 1,734                 |
| Telephone and internet           |                                   | 14,176                                  |                    | 14,176                |
| Animal Sponsorship Costs         |                                   |                                         | 101                | 101                   |
| Fundraising Services             |                                   |                                         | 34,800             | 34,800                |
| Creative & Design                | 2,500                             |                                         | 2,500              | 5,000                 |
| List Rental                      | 17,540                            |                                         | 17,540             | 35,080                |
| Investment Expense               |                                   | 8,616                                   |                    | 8,616                 |
| Amenia Donations                 | 150,194                           |                                         |                    | 150,194               |
| India Bear Donations             | 50,000                            |                                         |                    | 50,000                |
| <b>Total Functional Expenses</b> | <b>\$ 1,078,739</b>               | <b>\$ 94,355</b>                        | <b>\$ 203,589</b>  | <b>\$ 1,376,683</b>   |

**INTERNATIONAL ANIMAL RESCUE US, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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, 2021.

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, 2021 (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 2019, 2020 and 2021 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, 2021 (CONTINUED)**

NOTE 3. Property and Equipment

Property and equipment consist of the following as of December 31, 2021:

|                               |                   |
|-------------------------------|-------------------|
| Freehold Property             | \$ 128,697        |
| Office Equipment              | 2,997             |
| Less accumulated depreciation | <u>(8,870)</u>    |
|                               | <u>\$ 122,824</u> |

Depreciation expense for the year ended December 31, 2021 was \$2,980.

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 2021, 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 2021, IAR made contributions of \$371,859 to the YIAR.

NOTE 5. Temporarily Restricted Net Assets

During 2021, IAR received restricted contributions from donors totaling \$379,800 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 \$229,800 were released to the projects from restricted funds as of December 31, 2021. These expenses satisfied the purpose(s) specified by the donors.

|                            |                   |
|----------------------------|-------------------|
| Balance, December 31, 2020 | \$ 17,800         |
| 2021 Donations             | 379,000           |
| 2021 Expenditures          | <u>- 229,000</u>  |
| Balance, December 31, 2021 | <u>\$ 167,800</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, 2021, 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, 2021 (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 March 4, 2022, 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.