

**Animal Rescue League of Iowa, Inc.**

**Financial Statements  
With Independent Auditor's Report**

**December 31, 2021 and 2020**



**PITTMAN & COMPANY, LLP**  
Certified Public Accountants

**Animal Rescue League of Iowa, Inc.**

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1 – 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4 – 5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 – 15



## Independent Auditor's Report

Board of Directors  
Animal Rescue League of Iowa, Inc.

### Opinion

We have audited the accompanying financial statements of Animal Rescue League of Iowa, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Animal Rescue League of Iowa, Inc. as of December 31, 2021 and 2020, 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.

### Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Independent Auditor's Report (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads "PricewaterhouseCoopers, LLP". The signature is written in a cursive, flowing style.

March 10, 2022

**Animal Rescue League of Iowa, Inc.**  
**Statement of Financial Position**  
**December 31, 2021 and 2020**

Assets	Operating	Foundation	Total 2021	Total 2020
<b>Current Assets</b>				
Cash & cash equivalents	\$ 1,408,315	\$ 33,647	\$ 1,441,962	\$ 1,286,948
Investments	141,317	14,286,399	14,427,716	12,711,212
Accounts receivable, net	158,717	-	158,717	158,023
Promises to give	13,500	-	13,500	25,500
Inventory	71,647	-	71,647	58,256
Prepaid expenses	58,840	-	58,840	55,403
<b>Total Current Assets</b>	<b>1,852,336</b>	<b>14,320,046</b>	<b>16,172,382</b>	<b>14,295,342</b>
<b>Noncurrent Assets</b>				
Construction in progress	346,968	-	346,968	48,949
Fixed assets, net	7,843,625	-	7,843,625	8,116,207
<b>Total Noncurrent Assets</b>	<b>8,190,593</b>	<b>-</b>	<b>8,190,593</b>	<b>8,165,156</b>
<b>Total Assets</b>	<b>\$ 10,042,929</b>	<b>\$ 14,320,046</b>	<b>\$ 24,362,975</b>	<b>\$ 22,460,498</b>
<b>Liabilities &amp; Net Assets</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 284,726	\$ 10,000	\$ 294,726	\$ 177,250
Accrued wages & benefits	72,481	-	72,481	58,531
Accrued compensation	267,265	-	267,265	599,045
Deferred revenue	6,057	-	6,057	27,810
<b>Total Current Liabilities</b>	<b>630,529</b>	<b>10,000</b>	<b>640,529</b>	<b>862,636</b>
<b>Noncurrent Liabilities</b>				
Notes payable	-	-	-	837,885
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>837,885</b>
<b>Total Liabilities</b>	<b>630,529</b>	<b>10,000</b>	<b>640,529</b>	<b>1,700,521</b>
<b>Net Assets</b>				
With donor restrictions	311,066	-	311,066	211,344
Without donor restrictions:				
Undesignated	9,101,334	-	9,101,334	8,460,527
Board designated	-	14,310,046	14,310,046	12,088,106
<b>Total Net Assets</b>	<b>9,412,400</b>	<b>14,310,046</b>	<b>23,722,446</b>	<b>20,759,977</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 10,042,929</b>	<b>\$ 14,320,046</b>	<b>\$ 24,362,975</b>	<b>\$ 22,460,498</b>

See accompanying notes to the financial statements.

**Animal Rescue League of Iowa, Inc.**  
**Statement of Activities**  
For the Years Ended December 31, 2021 and 2020

	<u>With Donor Restrictions</u>		<u>Without Donor Restrictions</u>	
	<u>Operating</u>	<u>Foundation</u>	<u>Operating</u>	<u>Foundation</u>
<b>Revenue &amp; Support</b>				
Contributions of cash & other financial assets:				
Bequests	\$ -	\$ -	\$ 839,928	\$ -
Donations	234,060	-	3,718,056	-
Grants	-	-	236,060	-
Memorials	-	-	-	-
Foundation transfers	-	-	10,000	(10,000)
Contributions of nonfinancial assets:				
Auction items	-	-	73,169	-
Supplies	-	-	98,387	-
Revenue:				
Admissions & adoptions	-	-	824,761	-
Animal care	-	-	173,021	-
Contracts	-	-	833,354	-
Events	-	-	466,837	-
Investment income/(loss), net	-	-	14,729	2,231,940
Merchandise sales	-	-	181,126	-
Miscellaneous	-	-	864,804	-
Rent	-	-	8,476	-
Net assets released from restrictions	(134,338)	-	134,338	-
<b>Total Revenue &amp; Support</b>	<b>99,722</b>	<b>-</b>	<b>8,477,046</b>	<b>2,221,940</b>
<b>Expenses</b>				
Program services	-	-	5,679,607	-
Management & general	-	-	861,013	-
Fundraising	-	-	1,295,619	-
<b>Total Expenses</b>	<b>-</b>	<b>-</b>	<b>7,836,239</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>99,722</b>	<b>-</b>	<b>640,807</b>	<b>2,221,940</b>
Net assets - beginning	211,344	-	8,460,527	12,088,106
<b>Net Assets - Ending</b>	<b>\$ 311,066</b>	<b>\$ -</b>	<b>\$ 9,101,334</b>	<b>\$ 14,310,046</b>

See accompanying notes to the financial statements.

**Animal Rescue League of Iowa, Inc.**  
**Statement of Activities (continued)**  
For the Years Ended December 31, 2021 and 2020

	Total 2021		Total 2020	
	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions
<b>Revenue &amp; Support</b>				
Contributions of cash & other financial assets:				
Bequests	\$ -	\$ 839,928	\$ -	\$ 391,303
Donations	234,060	3,718,056	228,797	2,727,636
Grants	-	236,060	-	83,269
Memorials	-	-	-	317,690
Foundation transfers	-	-	-	-
Contributions of nonfinancial assets:				
Auction items	-	73,169	-	83,051
Supplies	-	98,387	-	176,903
Revenue:				
Admissions & adoptions	-	824,761	-	705,904
Animal care	-	173,021	-	217,754
Contracts	-	833,354	-	820,896
Events	-	466,837	-	397,836
Investment income/(loss), net	-	2,246,669	-	1,574,147
Merchandise sales	-	181,126	-	166,252
Miscellaneous	-	864,804	-	(14,357)
Rent	-	8,476	-	4,127
Net assets released from restrictions	(134,338)	134,338	(157,022)	157,022
<b>Total Revenue &amp; Support</b>	<b>99,722</b>	<b>10,698,986</b>	<b>71,775</b>	<b>7,809,433</b>
<b>Expenses</b>				
Program services	-	5,679,607	-	5,571,592
Management & general	-	861,013	-	769,926
Fundraising	-	1,295,619	-	1,174,182
<b>Total Expenses</b>	<b>-</b>	<b>7,836,239</b>	<b>-</b>	<b>7,515,700</b>
<b>Change in Net Assets</b>	<b>99,722</b>	<b>2,862,747</b>	<b>71,775</b>	<b>293,733</b>
Net assets - beginning	211,344	20,548,633	139,569	20,254,900
<b>Net Assets - Ending</b>	<b>\$ 311,066</b>	<b>\$ 23,411,380</b>	<b>\$ 211,344</b>	<b>\$ 20,548,633</b>

See accompanying notes to the financial statements.

**Animal Rescue League of Iowa, Inc.**  
Statement of Functional Expenses  
For the Years Ended December 31, 2021 and 2020

	2021				2020			
	Program Services	Management & General	Fundraising	Total	Program Services	Management & General	Fundraising	Total
Payroll Expenses								
Salaries & wages	\$ 2,811,020	\$ 487,591	\$ 415,358	\$ 3,713,969	\$ 2,767,295	\$ 459,755	\$ 340,031	\$ 3,567,081
Taxes & benefits	499,371	77,733	79,603	656,707	615,904	87,096	92,670	795,670
Total Payroll Expenses	3,310,391	565,324	494,961	4,370,676	3,383,199	546,851	432,701	4,362,751
Other Expenses								
AP discounts	-	(5,691)	-	(5,691)	-	(9,428)	-	(9,428)
General insurance	87,619	-	-	87,619	72,896	-	-	72,896
Utilities	239,746	4,663	5,177	249,586	209,538	3,407	2,718	215,663
Supplies	60,946	17,426	15,577	93,949	90,356	16,319	17,221	123,896
Repairs & maintenance	246,276	-	-	246,276	242,159	-	-	242,159
Animal care	808,997	2,175	2,635	813,807	736,924	-	2,159	739,083
Shelter supplies	210,214	-	-	210,214	152,494	-	-	152,494
Auction goods	-	-	77,212	77,212	-	-	86,546	86,546
Other fundraising & marketing	-	-	39,120	39,120	-	-	23,171	23,171
Printing, postage, & shipping	4,412	1,011	533,548	538,971	49,306	1,031	519,934	570,271
Professional fees	3,498	121,567	-	125,065	2,800	103,044	-	105,844
Merchandise	104,198	-	-	104,198	98,939	-	-	98,939
Other expenses	40,937	129,844	6,297	177,078	20,064	97,713	5,008	122,785
Special events	-	-	68,771	68,771	5,504	-	33,610	39,114
Travel	34,677	5,643	4,957	45,277	24,058	4,574	85	28,717
Bad debt	-	230	-	230	-	749	-	749
Radio program	17,120	-	-	17,120	15,275	-	-	15,275
Volunteer orientation	4,251	-	-	4,251	2,569	-	-	2,569
Subscriptions	54,305	18,821	47,364	120,490	-	5,666	51,029	56,695
Total Other Expenses	1,917,196	295,689	800,658	3,013,543	1,722,882	223,075	741,481	2,687,438
Depreciation & amortization	452,020	-	-	452,020	465,511	-	-	465,511
Total Expenses	\$ 5,679,607	\$ 861,013	\$ 1,295,619	\$ 7,836,239	\$ 5,571,592	\$ 769,926	\$ 1,174,182	\$ 7,515,700

See accompanying notes to the financial statements.



**Animal Rescue League of Iowa, Inc.**  
**Statement of Cash Flows**  
For the Years Ended December 31, 2021 and 2020

	<u>Operating</u>	<u>Foundation</u>	<u>Total 2021</u>	<u>Total 2020</u>
<b>Cash Flows from Operating Activities</b>				
Change in net assets	\$ 740,529	\$ 2,221,940	\$ 2,962,469	\$ 365,508
Adjustment to reconcile change in net assets to net cash from operating activities:				
Depreciation	452,020	-	452,020	465,511
(Gain)/Loss on disposal of assets	-	-	-	10,248
(Increase)/Decrease in:				
Investments	(64,941)	(2,278,442)	(2,343,383)	(677,614)
Receivables	11,306	-	11,306	(39,363)
Inventory	(13,391)	-	(13,391)	22,958
Prepaid expenses	(3,437)	-	(3,437)	(20)
Increase/(Decrease) in:				
Payables & accruals	131,426	-	131,426	(200,100)
Deferred revenue	(21,753)	-	(21,753)	(857)
Accrued compensation	(331,780)	-	(331,780)	110,815
<b>Net Cash Provided/(Used) by Operating Activities</b>	<u>899,979</u>	<u>(56,502)</u>	<u>843,477</u>	<u>57,086</u>
<b>Cash Flows from Investing Activities</b>				
Capital expenditures	(477,457)	-	(477,457)	(128,167)
Proceeds from sale of investments	655,736	2,104,573	2,760,309	1,914,308
Purchase of investments	(3,508)	(2,129,922)	(2,133,430)	(2,040,475)
<b>Net Cash Provided/(Used) by Investing Activities</b>	<u>174,771</u>	<u>(25,349)</u>	<u>149,422</u>	<u>(254,334)</u>
<b>Cash Flows from Financing Activities</b>				
Adjustment to reconcile change in net assets to net cash from financing activities:				
Forgiveness of debt	(837,885)	-	(837,885)	837,885
<b>Net Cash Provided/(Used) by Financing Activities</b>	<u>(837,885)</u>	<u>-</u>	<u>(837,885)</u>	<u>837,885</u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<u>236,865</u>	<u>(81,851)</u>	<u>155,014</u>	<u>640,637</u>
Cash & cash equivalents - beginning	1,171,450	115,498	1,286,948	646,311
<b>Cash &amp; Cash Equivalents - Ending</b>	<u>\$ 1,408,315</u>	<u>\$ 33,647</u>	<u>\$ 1,441,962</u>	<u>\$ 1,286,948</u>

See accompanying notes to the financial statements.

**Animal Rescue League of Iowa, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2021 and 2020

**Note 1. Summary of Significant Accounting Policies**

Nature of the Organization

Animal Rescue League of Iowa, Inc. (the Organization), a nonprofit organization founded in 1926, is dedicated to the welfare of animals, strengthening the human-animal bond, and preventing the overpopulation of pets. The Organization serves people and pets across the state of Iowa. Programs include pet adoption, TheraPets, pet behavior training, spay/neuter, and animal cruelty intervention.

The Organization, which is the largest nonprofit animal shelter in Iowa, operates four adoption centers and two animal shelters in the Greater Des Moines area. The Organization operates the City of Des Moines animal shelter on a contractual basis.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with the accounting principles appropriate for not-for-profit entities. The accrual basis of accounting is used by the Organization. Under this method, revenue is recognized in the period earned and expenses are recognized in the period incurred.

Financial statement presentation follows the guidelines set forth by the Financial Accounting Standards Board (FASB) in *Not-for-Profit Entities – Presentation of Financial Statements*. As part of the FASB guidelines, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- With donor restrictions – assets that are required to be used in a later period or after a specified date (time restrictions), or that are required to be used for a specific purpose (purpose restriction), or both.
- Without donor restrictions – assets without any donor-imposed restrictions; although, a portion of these assets may have self-imposed limits (board-designated net assets).

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains their cash and cash equivalents in commercial banks that, at times, may exceed federally insured limits. However, the Organization's cash accounts have been placed with high credit quality financial institutions, and they have not experienced, nor do they anticipate, any losses with respect to such accounts. The uninsured cash balance totaled \$1,028,696 at year-end.

Investments

The Organization reports investments at fair value as determined by quoted or published market prices. The fair value is determined as more fully described in Note 3. Investment policy, as approved by the Board of Directors, permits investments in debt and equity securities. Investment income consists of interest, dividends, and net realized and unrealized gains or losses. Details of investment activity and income is presented in Note 4.

**Animal Rescue League of Iowa, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2021 and 2020

**Note 1. Summary of Significant Accounting Policies (continued)**

Receivables

Receivables are categorized as follows at year-end:

- Accounts receivable
  - Accounts receivable are recorded at the amount the Organization expects to collect on balances outstanding at year-end. Management believes that receivables are fully collectible; therefore, an allowance for uncollectible accounts has not been recorded.
- Promises to give
  - Contributions are recognized when the donor makes a promise to the Organization that is, in substance, unconditional. The organization uses the allowance method to determine uncollectible amounts. Management believes that all promises are fully collectible; therefore, an allowance for uncollectible promises to give has not been recorded.

Inventory

Inventory consists of animal supplies and merchandise purchased for resale in the gift shop and is recorded at the lower of cost or net realizable value using the first in, first out (FIFO) method.

Fixed Assets

Property and equipment determined to be a capital asset is valued at cost and depreciated using the straight-line method over the estimated useful life. An asset is considered for capitalization if it has a value greater than \$2,500 and has an expected useful life greater than one year. Property and equipment contributed to the Organization is recorded at the fair market value on the date of the contribution. Property and equipment accounts are categorized in Note 5.

Revenue Recognition

Revenue is categorized as follows at year-end:

- Contributions of cash & other financial assets
  - Consists of cash contributions, grants, and transfers from Foundation. Unconditional contributions are recognized at fair value when received or pledged. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence or nature of any donor restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.
- Contributions of nonfinancial assets
  - Consists of donated items and products to be auctioned off as part of the annual auction event, as well as various animal supplies and food. The Organization recognizes and records contributions of donated non-cash assets at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing these skills and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received. Donated services received during the year consisted of professional fees for accounting services utilized as part of general operations and were valued based on current rates for similar services.

**Animal Rescue League of Iowa, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2021 and 2020

**Note 1. Summary of Significant Accounting Policies (continued)**

Revenue Recognition (continued)

- Revenue
  - Consists primarily of animal adoption and care, contract income, events, investment income, and merchandise sales. The Organization recognizes revenue from exchange transactions when the earnings process is complete and goods have been delivered or services performed. Contract income is recognized based on the terms of the agreement with the city of Des Moines.

Advertising

Advertising is expensed in the period incurred. Advertising amounted to \$39,120 and \$23,171 as of December 31, 2021 and 2020 respectively.

Allocation of Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain costs are attributed to more than one program or supporting function and, therefore, require allocation among the programs and supporting services benefited. Management believes their allocations are done on a reasonable and consistent basis. Most personnel costs, office expenses, professional services, and other expenses are identified with a specific program or supporting function at the time they are incurred and are reported accordingly. However, some of these expenses require allocation, which is done on the basis of estimates of time and effort.

Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code except to the extent of taxes on unrelated business income. As required by the FASB *Income Taxes* topic, the Organization has evaluated their material tax positions and determined no income tax affects with respect to the financial statements. The Organization is no longer subject to U.S. Federal or State tax examinations by tax authorities for years prior to 2018. There has been no notice of any impending examinations by tax authorities, and no examinations are in process.

**Animal Rescue League of Iowa, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2021 and 2020

**Note 1. Summary of Significant Accounting Policies (continued)**

Newly Adopted Accounting Pronouncements

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this ASU to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Organization adopted this ASU effective July 1, 2020 and there was no impact to net assets or changes in net assets as a result.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The FASB issued this ASU to improve generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The Organization adopted this ASU effective July 1, 2020 and there was no impact to net assets or changes in net assets as a result.

Recent Events

On March 11, 2020 the World Health Organization declared the outbreak of COVID-19 as a global pandemic, which continues to spread throughout the United States and around the world. While the economic fallout has somewhat stabilized, actions taken to mitigate the spread of COVID-19 have had, and continue to have, an adverse impact on economic activity globally, nationally, and locally. The extent of the pandemic's effect on the Organization will be dependent on many factors, including the speed and extent of any recovery from the related economic recession. It is reasonably possible that estimates made in the financial statements could be materially and adversely impacted in the near term as a result of these conditions.

The Organization received a loan from Bank of the West in the amount of \$837,885 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated May 4, 2020. The Organization applied for and has been notified that \$837,885 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven. Loan forgiveness is reflected in miscellaneous income in the accompanying statement of activities.

**Animal Rescue League of Iowa, Inc.**  
**Notes to the Financial Statements**  
For the Years Ended December 31, 2021 and 2020

**Note 2. Liquidity**

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash & cash equivalents	\$ 1,441,962
Investments	14,427,716
Receivables	<u>172,217</u>
	<u>\$ 16,041,895</u>

Cash and cash equivalents are considered to be investments and other assets that can be converted to cash within three months.

**Note 3. Fair Value Measurements**

The Organization has adopted the provisions of the FASB *Fair Value Measurement* topic, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Professional standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to level 1 inputs and the lowest priority to level 3 inputs. The three levels of the hierarchy are described as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability.

The following table presents financial instruments that are measured at fair value on a recurring basis as of December 31:

	2021			
	Fair Value	Level 1	Level 2	Level 3
Investments	\$ 14,427,716	\$ 14,427,716	\$ -	\$ -
	2020			
	Fair Value	Level 1	Level 2	Level 3
Investments	\$ 12,711,212	\$ 12,711,212	\$ -	\$ -

**Animal Rescue League of Iowa, Inc.**  
**Notes to the Financial Statements**  
For the Years Ended December 31, 2021 and 2020

**Note 4. Investments**

Investments are managed based on the investment policy and level of risk deemed appropriate by the Organization. Investments consisted of the following as of December 31:

	2021	2020
Community Foundation endowment	\$ 141,317	\$ 129,559
Fixed income	2,510,005	1,973,419
Mutual funds	-	599,045
Stocks, real estate, & alternatives	11,776,394	10,009,189
	\$ 14,427,716	\$ 12,711,212

Investment income consisted of the following at year-end:

	2021	2020
Interest & dividends	\$ 246,394	\$ 241,621
Realized gain/(loss)	503,382	229,827
Unrealized gain/(loss)	1,567,402	1,182,704
Administrative fees	(70,509)	(80,005)
	\$ 2,246,669	\$ 1,574,147

**Note 5. Fixed Assets**

Major classes of fixed assets are as follows at year-end:

	2021	2020
Land	\$ 34,637	\$ 34,637
Buildings	11,568,087	11,520,889
Furniture & fixtures	986,266	857,181
Vehicles	604,801	601,645
Website	58,653	58,653
Accumulated depreciation	(5,408,819)	(4,956,798)
	\$ 7,843,625	\$ 8,116,207

Depreciation and amortization expense was \$452,020 and \$465,511 for the years ended December 31, 2021 and 2020, respectively.

**Animal Rescue League of Iowa, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2021 and 2020

**Note 6. Net Assets with Donor Restrictions**

The following net assets are restricted by the donor for specific purposes or periods at year-end:

Subject to expenditure for specified purpose:	2021	2020
Spay/neuter program	\$ 150,157	\$ 129,190
Veterinary assistance	82,207	68,480
Horse relinquishment program	26,241	-
Adoption preparation	25,000	-
Animal training programs	10,000	-
Adoption assistance	6,025	6,025
Animal reclaim assistance	4,480	4,255
Legislative Advocacy	3,000	-
Crisis Foster	2,000	-
Pet supplies	1,386	894
Pet food assistance	570	2,500
	\$ 311,066	\$ 211,344

**Note 7. Retirement Plan**

The Organization has a defined contribution retirement plan, which covers all employees. Employees are immediately eligible and can elect to make contributions in addition to those provided by the employer. The Organization makes individual contributions equal to 50% of the first 4% of employee contributions. Contributions under the plan totaled \$26,028 and \$63,859 as of December 31, 2021 and 2020, respectively.

**Note 8. Related Parties**

A senior member of management is related to a member of the Board of Directors and Executive Committee. The board member abstains from any discussions and voting related to the employee's performance review and salary negotiations.

**Note 9. Accrued Compensation**

In 2007, the Organization began setting aside savings in lieu of a qualified retirement plan for the CEO. Employer contributions totaled \$-0- and \$40,000 as of December 31, 2021 and 2020, respectively. Half the balance was paid to the CEO in November of 2021, and the other half will be paid in March of 2022. Total account value was \$267,265 and \$599,045 as of December 31, 2021 and 2020, respectively.



**Animal Rescue League of Iowa, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

**Note 10. Subsequent Events**

Management has reviewed and evaluated material subsequent events from the Statement of Financial Position date of December 31, 2021 through the financial statement issuance date of March 10, 2022. There were no subsequent events requiring adjustment to the financial statements.