



WORLD
PARROT
TRUST

AUDIT REPORT

FOR THE YEAR ENDED MARCH 31st, 2021

WORLD PARROT TRUST USA, INC.
REPORT ON FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

WORLD PARROT TRUST USA, INC.

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Independent Auditor's Report

Board of Directors and Management
World Parrot Trust USA, Inc.
Travelers Rest, South Carolina

We have audited the accompanying financial statements of World Parrot Trust USA, Inc. (the "Organization"), a not-for-profit organization, which comprise the statement of financial position as of March 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows 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 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 audit 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 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 World Parrot Trust USA, Inc. as of March 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

McKinley, Cooper & Co., LLC

Greenville, South Carolina
December 12, 2021

Members
American Institute of Certified Public Accountants
S.C. Association of Certified Public Accountants



WORLD PARROT TRUST USA, INC.

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2021

ASSETS

Cash	\$	839,511
Marketable securities		111,194
Accounts receivable		15,661
Inventory		15,087
Property and equipment, net		<u>1,555</u>
Total assets	\$	<u><u>983,008</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$	3,478
Accrued expenses		<u>1,192</u>
Total liabilities		<u>4,670</u>

Net Assets

Without donor restrictions		<u>978,338</u>
Total net assets		<u>978,338</u>

Total liabilities and net assets	\$	<u><u>983,008</u></u>
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The accompanying notes are an integral part of these financial statements.

WORLD PARROT TRUST USA, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2021

REVENUE, GAINS AND GENERAL	Without Donor Restrictions	With Donor Restrictions	Total
Contributions			
Conservation	\$ -	\$ 361,393	\$ 361,393
Welfare	-	94,314	94,314
General	557,316	-	557,316
Membership dues	18,365	-	18,365
Merchandise sales	12,607	368	12,975
Other income	4,252	10,011	14,263
PPP funds	26,045	-	26,045
Investment income	8,777	-	8,777
Interest income	446	-	446
Net assets released from restrictions	466,086	(466,086)	-
Total revenue, gains and general	1,093,894	-	1,093,894
Cost of sales	2,790	-	2,790
Net revenue, gains and general	1,091,104	-	1,091,104
EXPENSES			
Program services	767,389	-	767,389
Supporting services	49,917	-	49,917
Fundraising	50,799	-	50,799
Total expenses	868,105	-	868,105
CHANGE IN NET ASSETS	222,999	-	222,999
NET ASSETS, beginning of year	755,339	-	755,339
NET ASSETS, end of year	\$ 978,338	\$ -	\$ 978,338

The accompanying notes are an integral part of these financial statements.

WORLD PARROT TRUST USA, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2021

	<u>Program</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>Total</u>
EXPENSES				
Salaries and related expenses	\$ 109,064	\$ 24,929	\$ 18,977	\$ 152,970
Grant and contract expense	629,546	3,060	10,040	642,646
Projects	2,975	-	-	2,975
Professional fees	13,540	14,350	-	27,890
Telephone and internet	1,553	1,863	2,067	5,483
Postage - shipping and office	808	2,858	7,497	11,163
In-house publications	8,093	-	-	8,093
Travel and meeting	892	-	-	892
Fundraisers	-	-	4,505	4,505
Tax and registration	-	2,071	2,329	4,400
Depreciation	-	-	1,555	1,555
Miscellaneous	141	586	1,506	2,233
Bank fees	777	200	2,323	3,300
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Total Expenses	<u>\$ 767,389</u>	<u>\$ 49,917</u>	<u>\$ 50,799</u>	<u>\$ 868,105</u>

The accompanying notes are an integral part of these financial statements.

WORLD PARROT TRUST USA, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$	222,999
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation expense		1,555
Investment income		(17,087)
Changes in operating assets and liabilities		
Accounts receivable		(13,541)
Due from affiliates		20,985
Inventory		1,080
Accounts payable		2,274
Accrued expenses		1,157
		<hr/>
Net cash provided by operating activities		219,422
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NET INCREASE IN CASH		219,422
CASH, beginning of year		620,089
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CASH, end of year	\$	839,511
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The accompanying notes are an integral part of these financial statements.

WORLD PARROT TRUST USA, INC.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

World Parrot Trust USA, Inc. (the “Organization”), is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Its mission is to restore and protect wild parrots and their habitats and advance awareness by programs and education. The Organization is primarily funded through contributions from individual and corporate donors.

Basis of Accounting

The accompanying financial statements are prepared using the accrual method of accounting in compliance with accounting principles generally accepted in the United States of America. All revenue is recognized when earned and expenses are recorded when incurred.

Basis of Presentation

Net assets are classified for accounting and reporting purposes in two classes of net assets, according to externally imposed restrictions:

Net assets without donor restrictions – Net assets that are not subject to any donor-imposed restrictions. This class also includes restricted gifts whose donor-imposed restrictions were met during the fiscal year.

Net assets with donor restrictions – Net assets resulting (a) from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations, (b) from other asset enhancements and diminishment that are subject to the same kind of stipulations, and (c) from reclassification from (or to) other classes of net assets as a consequence of donor-imposed stipulations. Some of these restrictions can expire, either by passage of time or their fulfillment and removal by actions of the Organization pursuant to those stipulations, while other restrictions never expire. The Organization has no net assets with donor restrictions at March 31, 2021.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts with several financial institutions. The balances, at times, may exceed federally insured limits as guaranteed by the Federal Deposit Insurance Corporations (FDIC). At March 31, 2021, the Organization’s cash balances exceeded the federally insured limit by \$245,623.

Marketable Securities

Marketable Securities are carried at fair value. Fair value for contributed investments is determined by the market value at the date of donation.

Fair Value Measurements

Generally accepted accounting principles provide a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liability (Level 1) and the lowest priority to unobservable inputs (Level3).

Level 1 – Assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities. Level 1 assets do not require significant management judgment.

Level 2 – Assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, for the asset or liability such as (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in less active markets, or (c) other inputs that can be derived principally from, or corroborated by, observable market data.

Level 3 – Assets or liabilities for which there are inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The recorded values of accounts payable and accrued expenses approximate fair values due to their short maturities.

Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market value and consists of clothing and accessories, books, DVDs and other parrot-themed items.

Property and Equipment

Property and equipment is stated at cost if purchased or fair value if contributed, net of accumulated depreciation. Maintenance and repairs are charged to expense as incurred, and renewals and betterments are capitalized. Gains or losses on disposals are credited or charged to operations.

The estimated useful lives of property and equipment are as follows:

Office Equipment	7 years
Vehicles	5 years

Property and equipment is depreciated using the straight-line method over the estimated useful lives.

Donated Assets

Noncash donations are recorded as contributions without donor restrictions at their estimated fair values at the date of donation.

Donated Services

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. No donated services have been reflected in the financial statements. The Organization generally pays for services requiring specific expertise.

Revenue Recognition

The Organization reports contributions received and promises to give as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor restrictions.

Tax Status

The Organization has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been recorded in the accompanying financial statements.

Financial Accounting Standards Board (FASB) Accounting Standards Codification (“ASC”) 740-10 prescribes a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that the Organization has taken or expects to take on a tax return. In accordance with FASB ASC 740-10, the Organization recognizes the tax benefits from uncertain tax positions only if it is more-likely-than-not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Organization’s income tax filings are subject to audit by various taxing authorities. Management believes there was no significant impact on the Organization’s financial statements as a result of the adoption of ASC 740-10.

Sales Tax

The Organization collects sales tax from customers and remits the entire amount to the State. The Organization’s accounting policy is to include the tax collected and remitted to the State in revenue and expense. For the year ended March 31, 2021, the Organization’s revenues and management and general expenses include \$125 of sales tax collected and remitted.

NOTE 2 – MARKETABLE SECURITIES

Marketable securities are measured and recorded at fair value. At March 31, 2021, all of the Organization’s marketable securities are categorized as Level 1 based on the fair value hierarchy.

Marketable securities consist of the following at March 31, 2021:

Money market shares	\$ 111,194
	<u>\$ 111,194</u>

Investment income from these investments consists of the following at March 31, 2021:

Interest and dividends	\$ 16
Realized gains/(losses)	8,426
Unrealized gains/(losses)	451
	<u>\$ 8,893</u>

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2021 consisted of the following:

Office equipment	\$ 11,705
Vehicles	26,234
	<u>37,939</u>
Less: accumulated depreciations	<u>(36,384)</u>
Property and equipment, net	<u>\$ 1,555</u>

Depreciation expense for the year ended March 31, 2021 was \$1,555.

NOTE 4 – LIQUIDITY

The Organization’s financial instruments consist of cash and marketable securities, which total \$950,705 at March 31, 2021. The entirety of this amount is available to meet cash needs for general expenditures within one year.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Organization's founder also founded Canadian World Parrot Trust and World Parrot Trust UK. For operational convenience, the Organization and these affiliates occasionally pay for expenses on behalf of each other. These amounts are then repaid throughout the year. At March 31, 2021, the balance owed to the Organization by Canadian World Parrot Trust and World Parrot Trust UK was \$0 and \$0, respectively.

NOTE 6 – SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events to the balance sheet date of March 31, 2021 through the date of the auditor's report. Management has determined there are no subsequent events that require recognition or disclosure in the financial statements.