

GUARDIAN ANGEL BASSET RESCUE, INC

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

December 31, 2010

GUARDIAN ANGEL BASSET RESCUE, INC

Table of Contents

	<u>Page</u>
Independent Auditors' Report - Report on Financial Statements	1
Financial Statements	
Statements of Financial Position	Statement A 2
Statements of Activities	Statement B 3
Statements of Cash Flows	Statement C 4
Notes to Financial Statements	5-6

STATEMENTS OF FINANCIAL POSITION
December 31, 2010

<u>Assets</u>	<u>2010</u>
Current Assets	
Cash--time and savings deposits	\$ 16,160
Investments	12,012
Raffle prize	23,000
Building Deposit	4,287
Total current assets	<u>55,459</u>
Fixed Assets	
Office Furniture and Equipment	21,884
Fencing	15,402
Stage	53,844
Land	202,966
Less: Accumulated Depreciation	<u>(32,526)</u>
Net fixed assets	<u>261,570</u>
Total assets	<u>\$ 317,029</u>
<u>Liabilities and Net Assets</u>	
Current Liabilities	
Lot Loan - Bank of Dwight	\$ 109,930
Note Payable - Bank of Dwight	8,500
Note payable - Raffle prize loan	23,000
Payroll Tax Liabilities	742
Total current liabilities	<u>142,172</u>
Net Assets	
Unrestricted	176,327
Unrealized gain/(loss)	<u>(1,470)</u>
Total net assets	<u>174,857</u>
Total liabilities and Net Assets	<u>\$ 317,029</u>

The accompanying notes are an integral part of these statements.

STATEMENTS OF ACTIVITIES
Years Ended December 31, 2010

<u>Unrestricted Net Assets</u>	<u>2010</u>
Support	
Contributions	\$ 211,645
Membership	5,470
Adoptions	52,556
Fundraising (net of expense)	20,834
Investment Income	2,752
Miscellaneous	-
Total Support	<u>293,257</u>
Expenses	
Accounting Fees	8,475
Automobile expense	20
Credit Card Expenses	2,203
Dues, Fees, Licenses	168
Fees	969
Foster Expenses	1,197
Bank Service Charges	722
Insurance	3,118
Interest Expense	10,052
Legal Fees	35
Maintenance	3,085
Meetings	1,344
Miscellaneous	263
Office	3,466
Salary	12,000
Payroll Taxes	996
Pet Care	179,802
Postage & Freight	1,338
Printing	592
Real estate taxes	1,027
Reimbursements	183
Rental	3,378
Repairs	2,421
Supplies	483
Telephone	625
Web Expense	100
Depreciation	<u>5,609</u>
Total expenses	<u>243,671</u>
Increase (decrease) in unrestricted net assets	<u>49,586</u>
<u>Temporarily Restricted Net Assets</u>	
Grants	<u>-</u>
Increase (decrease) in temporarily restricted net assets	<u>-</u>
Total change in Net Assets	<u>49,586</u>
Net assets, beginning of the year	<u>126,741</u>
Net assets, end of the year	<u>\$ 176,327</u>

The accompanying notes are an integral part of these statements.

STATEMENTS OF CASH FLOWS
 Years Ended December 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2010</u>
Increase (decrease) in net assets	<u>\$ 49,586</u>
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
Depreciation	5,609
(Increase) decrease in investments & prepaids	(18,490)
Increase (decrease) in liabilities	20,903
 Total adjustments	 <u>8,022</u>
 Net cash provided by operating activities	 <u>57,608</u>
 CASH FLOWS USED BY INVESTING ACTIVITIES	
Purchases of property and equipment	<u>(55,000)</u>
 Net cash used by investing activities	 <u>(55,000)</u>
 NET INCREASE (DECREASE) IN CASH	 <u>2,608</u>
Cash, beginning of the year	<u>13,552</u>
Cash, end of the year	<u><u>\$ 16,160</u></u>

The accompanying notes are an integral part of these statements.

GUARDIAN ANGEL BASSET RESCUE, INC

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Guardian Angel Basset Rescue, Inc is a nonprofit organization that provides the rescue of basset hounds from abusive and unwanted situations. Revenues necessary to fund operations are provided by grants, special events and donations from the general public.

Financial Statement Presentation

The Organization's financial statements are presented as required by Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required 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. In addition, the Organization is required to present a statement of cash flows.

Contributions and Grants

All contributions are considered to be available for the unrestricted use of the Organization, unless restricted by the donor. Funds that are received for a restricted purpose are recorded as unrestricted if expenditures are incurred in the same period that satisfies the restriction.

Office Equipment, Furniture and Fixtures

Office furniture and equipment are recorded as cost or fair market value at the date of donation. Generally, acquisitions of property and equipment for \$500 or more are capitalized and depreciated. Depreciation is provided using the straight-line method over an estimated useful life of the assets.

Office furniture and fixtures	10 years
Equipment	5-7 years

Income Taxes

The Organization is a not-for-profit organization exempt from income tax under Section 501(C)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the financial statements.

GUARDIAN ANGEL BASSET RESCUE, INC

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, all demand accounts are considered to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect (1) reported amounts of assets and liabilities, including the disclosure of contingent assets and liabilities at the financial statement date and (2) reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. DONATED SERVICES AND MATERIALS

The Organization receives donated services from a variety of unpaid professionals and volunteers no amounts were material in nature as to require disclosure.

NOTE 3. FIXED ASSETS

The following is a summary of fixed assets as of December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Land, Fence, Stage	272,212	217,212
Operating Equipment	2,446	2,446
Transportation Equipment	9,350	9,350
Computer Equipment	3,218	3,218
Video & Communication Equipment	<u>6,870</u>	<u>6,870</u>
Total	294,096	239,096
Less Accumulated Depreciation	<u>(32,526)</u>	<u>(26,917)</u>
Net Fixed Assets	\$261,570	\$212,179

NOTE 4. TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2010, the Organization has \$0 in temporarily restricted net assets.