

GUARDIAN ANGEL BASSET RESCUE, INC

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

December 31, 2011

GUARDIAN ANGEL BASSET RESCUE, INC

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Brian Zabel & ASSOCIATES P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

To the Board of Directors
Guardian Angel Basset Rescue, Inc
Dwight, Illinois

We have audited the accompanying statements of financial position of Guardian Angel Basset Rescue, Inc (a nonprofit organization) as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Guardian Angel Basset Rescue, Inc as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Brian Zabel & Associates

Brian Zabel & Associates P.C.
Certified Public Accountants

Morris, Illinois
May 14, 2012

GUARDIAN ANGEL BASSET RESCUE, INC

STATEMENT A

STATEMENTS OF FINANCIAL POSITION

December 31, 2011

<u>Assets</u>	<u>2011</u>
Current Assets	
Cash--time and savings deposits	\$ 59,066
Building Deposit	4,287
Total current assets	<u>63,353</u>
Fixed Assets	
Office Furniture and Equipment	30,879
Fencing	15,402
Stage	53,844
Building	108,196
Land	202,966
Less: Accumulated Depreciation	<u>(40,421)</u>
Net fixed assets	<u>370,866</u>
Total assets	<u><u>\$ 434,219</u></u>
<u>Liabilities and Net Assets</u>	
Current Liabilities	
Lot Loan - Bank of Dwight	\$ 105,759
Note Payable	60,000
Note Payable - Bank of Dwight	8,500
Note Payable - Copier loan	3,321
Payroll Tax Liabilities	821
Total current liabilities	<u>178,401</u>
Net Assets	
Unrestricted	255,818
Restricted	<u>-</u>
Total net assets	<u>255,818</u>
Total liabilities and Net Assets	<u><u>\$ 434,219</u></u>

The accompanying notes are an integral part of these statements.

STATEMENTS OF ACTIVITIES
Years Ended December 31, 2011

	2011
<u>Unrestricted Net Assets</u>	
Support	
Contributions	\$ 305,144
Membership	5,427
Adoptions	32,600
Fundraising (net of expense)	10,673
Investment Income	(1,231)
Miscellaneous	-
Total Support	352,613
Expenses	
Accounting Fees	8,481
ADS	2,550
Automobile expense	463
Calendar	3,943
Credit Card Expenses	2,087
Dues, Fees, Licenses	150
Fees	931
Foster Expenses	1,142
Bank Service Charges	-
Insurance	2,239
Interest Expense	11,430
Legal Fees	-
Maintenance	4,904
Meetings	620
Miscellaneous	3,216
Office	2,103
Salary	12,000
Payroll Taxes	1,002
Pet Care	176,711
Postage & Freight	1,882
Printing	476
Real estate taxes	1,041
Reimbursements	256
Rental	2,608
Repairs	3,149
Supplies	975
Telephone	106
Utilities	770
Web Expense	19,992
Depreciation	7,895
Total expenses	273,122
Increase (decrease) in unrestricted net assets	79,491

The accompanying notes are an integral part of these statements.

STATEMENTS OF ACTIVITIES
 Years Ended December 31, 2011

<u>Temporarily Restricted Net Assets</u>	
Grants	-
Increase (decrease) in temporarily restricted net assets	-
Total change in Net Assets	79,491
Net assets, beginning of the year	176,327
Net assets, end of the year	\$ 255,818

The accompanying notes are an integral part of these statements.

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2011

	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets	<u>\$ 79,491</u>
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
Depreciation	7,895
(Increase) decrease in investments & prepaids	35,012
Increase (decrease) in liabilities	36,229
 Total adjustments	 <u>79,136</u>
 Net cash provided by operating activities	 <u>158,627</u>
 CASH FLOWS USED BY INVESTING ACTIVITIES	
 Change in Unrealized Gain/Loss	1,470
Purchases of property and equipment	<u>(117,191)</u>
 Net cash used by investing activities	 <u>(115,721)</u>
 NET INCREASE (DECREASE) IN CASH	 <u>42,906</u>
 Cash, beginning of the year	 <u>16,160</u>
 Cash, end of the year	 <u>\$ 59,066</u>

The accompanying notes are an integral part of these statements.

GUARDIAN ANGEL BASSET RESCUE, INC

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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, 2011

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, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Land, Fence, Stage, Building	380,408	272,212
Operating Equipment	11,441	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	411,287	294,096
Less Accumulated Depreciation	<u>(40,421)</u>	<u>(32,526)</u>
Net Fixed Assets	<u>\$370,866</u>	<u>\$261,570</u>

NOTE 4. TEMPORARILY RESTRICTED NET ASSETS

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