GUARDIAN ANGEL BASSET RESCUE, INC

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

December 31, 2012

GUARDIAN ANGEL BASSET RESCUE, INC

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Brian Zabel & ASSOCIATES P.C.
CERTIFIED PUBLIC ACCOUNTANTS
1040 West Route 6 • Morris, IL 60450
Phone: (815) 941-9833 Fax: (815) 941-9835

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, 2012, 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, 2012, 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 & Assoc. PC.

Brian Zabel & Associates P.C.
Certified Public Accountants

Morris, Illinois
May 10, 2013

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Brian Zabel & Assoc. PC.

Brian Zabel & Associates P.C.
Certified Public Accountants

Morris, Illinois
May 10, 2013

GUARDIAN ANGEL BASSET RESCUE, INC

STATEMENT A

STATEMENTS OF FINANCIAL POSITION
December 31, 2012

	2012
Assets	
Current Assets	
Cash--time and savings deposits	$ 112,664
Building Deposit	4,277
Total current assets	116,941
Fixed Assets	
Office Furniture and Equipment	30,879
Fencing	15,402
Stage	53,844
Building	108,196
Land	202,966
Improvements	38,221
Less: Accumulated Depreciation	(51,416)
Net fixed assets	398,092
Total assets	$ 515,033
Liabilities and Net Assets	
Current Liabilities	
Lot Loan - Bank of Dwight	$ 101,277
Note Payable - Bank of Dwight	60,296
Note Payable - Copier loan	1,638
Payroll Tax Liabilities	836
Total current liabilities	164,047
Net Assets	
Unrestricted	350,986
Restricted	-
Total net assets	350,986
Total liabilities and Net Assets	$ 515,033

The accompanying notes are an integral part of these statements.

GUARDIAN ANGEL BASSET RESCUE, INC

STATEMENT B

STATEMENTS OF ACTIVITIES
Years Ended December 31, 2012

		2012
Unrestricted Net Assets		
Support		
Contributions	$	310,025
Membership		3,310
Adoptions		22,408
Fundraising (net of expense)		4,490
Investment Income		142
Miscellaneous		-
Total Support		340,375
Expenses		
Accounting Fees		10,475
ADS		-
Automobile expense		1,099
Calendar		3,798
Credit Card Expenses		5,308
Dues, Fees, Licenses		150
Fees		74
Foster Expenses		2,200
Bank Service Charges		-
Insurance		3,485
Interest Expense		11,885
Legal Fees		770
Maintenance		3,541
Meetings		150
Miscellaneous		4,212
Newsletter		1,462
Office		4,991
Salary		12,000
Payroll Taxes		993
Pet Care		134,318
Postage & Freight		2,354
Printing		-
Real estate taxes		2,523
Reimbursements		26
Rental		-
Repairs		4,129
Supplies		2,053
Telephone		918
Utilities		1,306
Web Expense		19,992
Depreciation		10,995
Total expenses		245,207
Increase (decrease) in unrestricted net assets		95,168

The accompanying notes are an integral part of these statements.

GUARDIAN ANGEL BASSET RESCUE, INC

STATEMENT B

STATEMENTS OF ACTIVITIES
Years Ended December 31, 2012

Temporarily Restricted Net Assets

Grants		-
Increase (decrease) in temporarily restricted net assets		-
Total change in Net Assets		95,168
Net assets, beginning of the year		255,818
Net assets, end of the year	$	350,986

The accompanying notes are an integral part of these statements.

GUARDIAN ANGEL BASSET RESCUE, INC STATEMENT C

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2012

	2012
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets	$ 95,168
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
Depreciation	10,995
(Increase) decrease in investments & prepaids	-
Increase (decrease) in liabilities	(14,344)
Total adjustments	(3,349)
Net cash provided by operating activities	91,819
CASH FLOWS USED BY INVESTING ACTIVITIES	
Change in Unrealized Gain/Loss	-
Purchases of property and equipment	(38,221)
Net cash used by investing activities	(38,221)
NET INCREASE (DECREASE) IN CASH	53,598
Cash, beginning of the year	59,066
Cash, end of the year	$ 112,664

The accompanying notes are an integral part of these statements.

GUARDIAN ANGEL BASSET RESCUE, INC

NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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.

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, 2012 and 2011:

	2012	2011
Land, Fence, Stage, Building	380,408	380,408
Operating Equipment	11,441	11,441
Transportation Equipment	9,350	9,350
Computer Equipment	3,218	3,218
Improvements	38,221	0
Video & Communication Equipment	6,870	6,870
Total	449,508	411,287
Less Accumulated Depreciation	(50,416)	(40,421)
Net Fixed Assets	$398,092	$370,866

NOTE 4. TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2012, the Organization has $0 in temporarily restricted net assets.