

GUARDIAN ANGEL BASSET RESCUE, INC
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS

December 31, 2021

GUARDIAN ANGEL BASSET RESCUE, INC

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Guardian Angel Basset Rescue, Inc (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2021, and the related statement of support, revenue, and expenses – modified cash basis for the year 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 the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

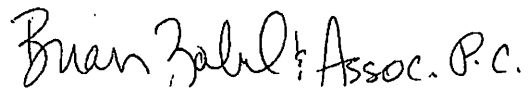
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Guardian Angel Basset Rescue as of December 31, 2021, and its support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.



Brian Zabel & Associates P.C.
Certified Public Accountants

Morris, Illinois
May 9, 2022

Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis
December 31, 2021

	<u>Assets</u>	2021
Current Assets		
Cash--time and savings deposits		\$ 578,661
Total current assets		578,661
Other Current Assets		
Huntleigh Securities		\$ 100,000
Total other current assets		100,000
Fixed Assets		
Office Furniture and Equipment		30,879
Vehicles		33,324
Fencing		15,402
Stage		53,844
Building		375,000
Land		202,966
Improvements		110,307
Less: Accumulated Depreciation		(220,039)
Net fixed assets		601,683
Total assets		\$ 1,280,344
	<u>Liabilities and Net Assets</u>	
Current Liabilities		
Loan 400028		\$ 155,628
SBA Loan		399,900
Total current liabilities		555,528
Net Assets		
Without Donor Restrictions:		
Undesignated		724,816
Board Designated		-
With Donor Restrictions		-
Total net assets		724,816
Total liabilities and Net Assets		\$ 1,280,344

The accompanying notes are an integral part of these statements.

Statement of Activities and Changes in Net Assets - Modified Cash Basis
Years Ended December 31, 2021

	2021			
	Without Donor Restrictions		With Donor Restrictions	Total
	Undesignated	Board Designated		
Support				
Contributions	\$ 394,467	\$ -	\$ -	\$ 394,467
Membership	-	-	-	-
Adoptions	17,984	-	-	17,984
Fundraising (net of expense)	11,462	-	-	11,462
Investment Income	-	-	-	-
Memorials	-	-	-	-
Miscellaneous	-	-	-	-
Total Support	423,913	-	-	423,913
Expenses				
Accounting Fees	13,050	-	-	13,050
Advertising	1,768	-	-	1,768
Automobile expense	1,559	-	-	1,559
Bank Charges	-	-	-	-
Credit Card Expenses	516	-	-	516
Dues, Fees, Licenses	18,360	-	-	18,360
Foster Expenses and pet care	228,534	-	-	228,534
Insurance	6,127	-	-	6,127
Interest Expense	-	-	-	-
Legal	500	-	-	500
Other	15,809	-	-	15,809
Miscellaneous	8,071	-	-	8,071
Property Taxes	3,759	-	-	3,759
Postage & Freight	-	-	-	-
Repairs and maintenance	1,753	-	-	1,753
Rental - Storage	1,900	-	-	1,900
Supplies	6,996	-	-	6,996
Telephone	1,582	-	-	1,582
Utilities	5,868	-	-	5,868
Web Expense	48,855	-	-	48,855
Depreciation	21,838	-	-	21,838
Total expenses	386,845	-	-	386,845
Change in net assets	37,068	-	-	37,068
Net assets, beginning of the year	687,748	-	-	687,748
Net assets, end of the year	<u>\$ 724,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 724,816</u>

The accompanying notes are an integral part of these statements.

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021

	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets	<u>\$ 37,068</u>
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
Depreciation	21,838
(Increase) decrease in investments & prepaids	-
Increase (decrease) in liabilities	381,183
 Total adjustments	 <u>403,021</u>
 Net cash provided by operating activities	 <u>440,089</u>
 CASH FLOWS USED BY INVESTING ACTIVITIES	
Investments liquidated	-
Purchases of property and equipment	<u>(116,315)</u>
 Net cash used by investing activities	 <u>(116,315)</u>
 NET INCREASE (DECREASE) IN CASH	 <u>323,774</u>
 Cash, beginning of the year	 <u>254,887</u>
 Cash, end of the year	 <u>\$ 578,661</u>

The accompanying notes are an integral part of these statements.

GUARDIAN ANGEL BASSET RESCUE, INC

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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.

Basis of Accounting

The financial statements of Guardian Angel Basset Rescue have been prepared in conformity with the modified cash basis of accounting. This basis of accounting involves modifications to the cash basis of accounting to report in the statement of assets, liabilities, and net assets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include property and equipment and related depreciation.

The modified cash basis of accounting differs from generally accepted accounting principles (GAAP) primarily because certain assets and their related revenues (such as contributions receivable) and certain liabilities and their related expenditures (such as accounts payable and expenditures for goods and services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements.

New Accounting Pronouncement

For 2021, the Organization began to include in its financial statements informative disclosures similar to those required by GAAP under the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The changes required by the update have been applied retrospectively to all periods presented.

GUARDIAN ANGEL BASSET RESCUE, INC

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement (Continued)

A key change required by ASU 2016-14 is the description of the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions. In addition, a statement of functional expenses is presented with the financial statements. Certain expenses have been reclassified to conform to the current year presentation. These reclassifications have no impact on net assets or the change in net assets as previously reported. Also, information regarding liquidity and availability of resources is presented in the notes to the financial statements.

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.

Cash and Cash Equivalents

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

GUARDIAN ANGEL BASSET RESCUE, INC

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2021 and 2020:

	<u>2021</u>	<u>2021</u>
Land, Fence, Stage, Building	647,212	647,212
Operating Equipment	11,441	11,441
Transportation Equipment	42,674	42,674
Computer Equipment	3,218	3,218
Improvements	110,307	93,992
Video & Communication Equipment	<u>6,870</u>	<u>6,870</u>
Total	821,722	805,407
Less Accumulated Depreciation	<u>(220,039)</u>	<u>(198,201)</u>
Net Fixed Assets	<u>\$601,283</u>	<u>\$607,206</u>

NOTE 4. TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2021, the Organization has \$0 in temporarily restricted net assets.