

TURNING POINTE DONKEY RESCUE, INC.

FINANCIAL STATEMENTS

December 31, 2017

## **Independent Auditors' Report**

To the Board of Directors of  
Turning Pointe Donkey Rescue, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Turning Pointe Donkey Rescue, Inc. (a Nonprofit Organization), which comprise the Statement of Financial Position as of December 31, 2017 and the related Statements of Activities, 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.

### **Auditors' 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 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 financial position of Turning Pointe Donkey Rescue, Inc. as of December 31, 2017, 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.

*ShindelRock*

October 19, 2018

TURNING POINTE DONKEY RESCUE, INC.

STATEMENT OF FINANCIAL POSITION  
Year Ended December 31, 2017

**ASSETS**

Current Assets	
Cash	\$ 60,995
List Royalty Receivable	1,243
Prepaid Expenses	<u>7,167</u>
Total Current Assets	69,405
Property and Equipment	
Building	275,200
Land	68,800
Equipment	<u>33,359</u>
Total	377,359
Less Accumulated Depreciation	<u>(50,992)</u>
Net Property and Equipment	<u>326,367</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 395,772</u></u></b>

**LIABILITIES AND NET ASSETS**

Current Liabilities	
Accounts Payable	\$ 163,066
Accrued Expenses	<u>5,912</u>
Total Current Liabilities	<u>168,978</u>
<b>TOTAL LIABILITIES</b>	168,978
Net Assets - Unrestricted	<u>226,794</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 395,772</u></u></b>

TURNING POINTE DONKEY RESCUE, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2017

**UNRESTRICTED NET ASSETS**

Unrestricted Revenue, Gains and Other Support	
Contributions	\$ 1,170,436
Donated Goods	2,724
Merchandise Sales, net	1,965
Rental Income (Loss), net	(3,845)
Interest Expense	<u>(230)</u>
<b>Total Unrestricted Revenue, Gains and Other Support</b>	<b>1,171,050</b>
Expenses	
Program Services:	
Education and Training	80,635
Rescue and Rehabilitation	373,534
Supporting Services:	
Fund Raising	759,207
General Management	<u>50,072</u>
Total Expenses	<u>1,263,448</u>
<b>Decrease in Unrestricted Net Assets</b>	<b>(92,398)</b>
<b>UNRESTRICTED NET ASSETS - Beginning of Year</b>	<b><u>319,192</u></b>
<b>UNRESTRICTED NET ASSETS - End of Year</b>	<b><u><u>\$ 226,794</u></u></b>

TURNING POINTE DONKEY RESCUE, INC.

STATEMENT OF FUNTIONAL EXPENSES

Year Ended December 31, 2017

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Education and Training</u>	<u>Rescue and Rehabilitation</u>	<u>Fundraising</u>	<u>General Management</u>	
Accounting Fees	\$ -	\$ -	\$ 1,107	\$ 13,438	\$ 14,545
Casual Labor	-	650	-	-	650
Depreciation	-	10,693	-	74	10,767
Donkey Purchases	-	88,405	-	-	88,405
Feed and Nutritional Supplements	-	56,970	-	-	56,970
Insurance - Non-employee	-	5,799	-	-	5,799
Legal and State Registration Fees	-	-	-	105	105
List Rental and Maintenance	-	-	45,019	713	45,732
Merchant Credit Card and Bank Fees	-	235	-	8,523	8,758
Occupancy Expenses	-	5,530	-	396	5,926
Other Expenses	14,632	416	13,306	371	28,725
Postage, Shipping and Delivery	39,530	60	377,305	6,258	423,153
Printing and Copying	16,139	-	224,027	3,386	243,552
Professional Fees - Other	10,334	-	98,443	16,808	125,585
Repairs and Maintenance	-	748	-	-	748
Supplies	-	4,287	-	-	4,287
Transportation	-	12,646	-	-	12,646
Veterinary, Farrier, and Healthcare	-	187,095	-	-	187,095
Total Expense	<u>\$ 80,635</u>	<u>\$ 373,534</u>	<u>\$ 759,207</u>	<u>\$ 50,072</u>	<u>\$1,263,448</u>

The Accompanying Notes and Independent Auditors' Report  
Should be Read with these Financial Statements

TURNING POINTE DONKEY RESCUE, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2017

**Cash Flows from Operating Activities**

Decrease in Unrestricted Net Assets	\$ (92,398)
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities	
Depreciation	16,221
Decrease in Operating Assets	
Decrease (Increase) in Other Receivable	(1,243)
Decrease (Increase) in Prepaid Assets	(6,293)
Decrease in Other Assets	96
Increase in Operating Liabilities	
Increase in Accounts Payable	79,867
Increase in Accrued Expenses	5,912
Net Cash Provided by Operating Activities	<u>2,162</u>

**Cash Flows from Investing Activities**

Payments for Equipment	<u>(594)</u>
Net Cash Used in Investing Activities	<u>(594)</u>
Net Increase in Cash	<u>1,568</u>

Cash, Beginning of Year	<u>59,427</u>
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<b>Cash, End of Year</b>	<u><u>\$ 60,995</u></u>
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**Supplementary Disclosure**

Cash Paid for Interest	<u><u>\$ 230</u></u>
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TURNING POINTE DONKEY RESCUE, INC.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2017

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Turning Pointe Donkey Rescue, Inc. (the “Organization”) is a Michigan not for profit organization operating in metropolitan Detroit. The Organization operates full service donkey and mule rescue, rehabilitation, and education. The Organization is supported primarily through donor contributions and adoption fees. The Organization uses the services of an independent fund raising services company to solicit funds through a direct mail campaign and to pay certain expenses.

Basis of Accounting - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Cash - For purposes of the statement of cash flows, cash is comprised of the Organization’s cash in financial institutions. At various times throughout the year the Organization maintains a cash balance in excess of amounts insured by the Federal Depository Insurance Corporation. Management believes the risk associated with this concentration is minimal.

Net Assets - Net assets of the Organization are classified as follows:

Unrestricted Net Assets – net assets that are not subject to “donor-imposed” restrictions. Under a Board approved formula, a certain amount of unrestricted net assets may be designated for possible future projects.

Temporarily Restricted Net Assets – net assets subject to “donor-imposed” restrictions that may or will be met by actions of the Organization and/or the passage of time. Items that affect this net asset category are restricted contributions and grants. The Organization did not have any temporarily restricted net assets as of December 31, 2017.

Permanently Restricted Net Assets – net assets subject to “donor-imposed” restrictions that they be maintained in perpetuity. The Organization did not have any permanently restricted net assets as of December 31, 2017.

Property and Equipment - Purchased equipment is carried at cost. Donated buildings, land and equipment are carried at their estimated fair value at the date of donation. The Organization has no property and equipment acquired with explicit restrictions.



TURNING POINTE DONKEY RESCUE, INC.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2017

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES –  
CONTINUED

Depreciation - Depreciation is computed using the straight-line method over the estimated useful life of the asset. The estimated useful lives are as follows:

Agricultural Buildings	20 years
Building	27.5 years
Equipment	3-7 years

Depreciation expense totaled \$16,221 for the year ended December 31, 2017.

Impairment of Long-Lived Assets - The Company reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Contributed Services - No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization but these services do not meet the criteria for recognition as contributed services.

Functional Allocation of Expenses -The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service (“IRS”) as a corporation. Management of the Organization believes that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the financial statements.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS generally for three years after they were filed.

TURNING POINTE DONKEY RESCUE, INC.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2017

NOTE 2 – CONTINGENCY

The Organization is subject to certain claims arising in the ordinary course of business. In the opinion of management, the disposition of these claims will not have a material adverse effect on the financial position, results of operations or cash flows of the Organization.

NOTE 3 – RELATED PARTY TRANSACTIONS

There were no board fees paid to board members.

NOTE 4 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 19, 2018 the date which the financial statements were available to be issued.