

TURNING POINTE DONKEY RESCUE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2015

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, 2015 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, 2015, 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.

Shindel Rock

November 9, 2016

TURNING POINTE DONKEY RESCUE, INC.

STATEMENT OF FINANCIAL POSITION
Year Ended December 31, 2015

ASSETS

Current Assets	
Cash	\$ 77,407
Prepaid Assets	2,102
Other Assets	<u>436</u>
Total Current Assets	79,945
Property and Equipment	
Building	275,200
Land	68,800
Equipment	<u>28,315</u>
Total	372,315
Less Accumulated Depreciation	<u>(19,154)</u>
Net Property and Equipment	<u>353,161</u>
TOTAL ASSETS	<u><u>\$ 433,106</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	<u>\$ 57,238</u>
Total Current Liabilities	<u>57,238</u>
TOTAL LIABILITIES	57,238
Net Assets	
Unrestricted	<u>375,868</u>
Total Net Assets	<u>375,868</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 433,106</u></u>

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

TURNING POINTE DONKEY RESCUE, INC.

STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

UNRESTRICTED NET ASSETS

Unrestricted Revenue, Gains & Other Support	
Contributions	\$ 559,778
Donated Goods and Services	331
Merchandise Sales, net	41
Rental Income (Loss), net	(3,585)
Interest Income	3
	<hr/>
Total Unrestricted Revenue and Gains	556,568
Total Unrestricted Revenue, Gains and Other Support	556,568
 Expenses	
Program Services:	
Education and Training	237
Rescue and Rehabilitation	130,055
Supporting Services:	
Fund Raising	415,041
General Management	29,966
Total Expenses	<hr/> 575,299
Decrease in Unrestricted Net Assets	<hr/> (18,731)
Decrease in Net Assets	(18,731)
NET ASSETS - Beginning of Year	<hr/> 394,599
NET ASSETS - End of Year	<hr/> <hr/> \$ 375,868

TURNING POINTE DONKEY RESCUE, INC.

STATEMENT OF FUNTIONAL EXPENSES
Year Ended December 31, 2015

	Program Services		Supporting Services		Total
	Education and Training	Rescue and Rehabilitation	Fundraising	General Management	
Accounting Fees	\$ -	\$ -	\$ -	\$ 8,133	\$ 8,133
Casual Labor	-	5,100	-	-	5,100
Depreciation and Amortization	-	10,210	-	-	10,210
Donkey Purchases	-	19,815	-	-	19,815
Feed and Nutritional Supplements	-	24,928	-	-	24,928
Insurance - Non-employee	-	1,040	-	-	1,040
Legal and State Registration Fees	-	260	-	-	260
Merchant Credit Card and Bank Fees	-	22	-	2,859	2,881
Occupancy Expenses	-	5,549	-	-	5,549
Other Expenses	-	1,351	44,991	1,814	48,156
Postage, Shipping and Delivery	-	-	201,168	941	202,109
Printing and Copying	237	15	90,680	129	91,061
Professional Fees - Other	-	-	78,202	15,784	93,986
Property Taxes	-	4,297	-	-	4,297
Repairs and Maintenance	-	2,825	-	-	2,825
Supplies	-	5,131	-	-	5,131
Telephone and Telecommunications	-	-	-	306	306
Transportation	-	7,657	-	-	7,657
Travel and Meetings Expenses - Other	-	251	-	-	251
Veterinary, Farrier, and Healthcare	-	41,604	-	-	41,604
Total Expense	\$ 237	\$ 130,055	\$ 415,041	\$ 29,966	\$ 575,299

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, 2015

Cash Flows from Operating Activities

Decrease in Net Assets	\$ (18,731)
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities	
Depreciation	15,664
Decrease in Operating Assets	
Decrease in Prepaid Assets	988
Decrease in Other Assets	737
Increase (Decrease) in Operating Liabilities	
Increase in Accounts Payable	24,099
Decrease in Accrued Liabilities	(5,387)
Net Cash Provided by Operating Activities	<u>17,370</u>

Cash Flows from Investing Activities

Payments for Equipment	<u>(1,060)</u>
Net Cash Used in Investing Activities	<u>(1,060)</u>

Net Increase in Cash 16,310

Cash, Beginning of Year 61,097

Cash, End of Year \$ 77,407

TURNING POINTE DONKEY RESCUE, INC.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2015

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 consolidated 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.

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.

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	5-7 years

Depreciation expense totaled \$15,664 for the year ended December 31, 2015.

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.

TURNING POINTE DONKEY RESCUE, INC.

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2015

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

Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets, if the restriction is met in the reporting period in which the support is recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization had no temporarily restricted or permanently restricted contributions for the year ended December 31, 2015.

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.

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.

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

The Organization paid a member of the Board of Directors for services provided relating to the Organization’s rescue and rehabilitation program services in the amount of \$3,150 for the year ended December 31, 2015, which is included in casual labor in the accompanying Statement of Functional Expenses. There were no board fees paid to board members.

TURNING POINTE DONKEY RESCUE, INC.

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2015

NOTE 4 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 9, 2016 the date which the financial statements were available to be issued.