

ALL ABOUT ANIMALS RESCUE, INC.

FINANCIAL STATEMENTS  
(Reviewed)

DECEMBER 31, 2008

## CONTENTS

	<u>Page</u>
<b>FINANCIAL STATEMENTS</b>	
Accountant's review report	1
Statement of financial position	2
Statement of activities and changes in net assets - unrestricted	3
Statement of functional expenses	4
Statement of cash flows	5
Notes to financial statements	6



# DOEREN MAYHEW

Certified Public Accountants and Consultants

To the Board of Directors of  
All About Animals Rescue, Inc.

We have reviewed the accompanying statement of financial position of All About Animals Rescue, Inc. as of December 31, 2008, and the related statements of activities and changes in net assets - unrestricted, functional expenses and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of All About Animals Rescue, Inc.

A review consists principally of inquiries of organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

DOEREN MAYHEW

April 9, 2009  
Troy, Michigan

# ALL ABOUT ANIMALS RESCUE, INC.

## STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2008

### ASSETS

#### Current Assets

Cash and cash equivalents (note 1)	\$	26,158
Accounts receivable		5,250
Prepaid rent		2,000

Total current assets 33,408

#### Equipment

At cost, less accumulated depreciation of \$5,882 (note 2) 56,836

#### Security Deposits

2,000

Total assets \$ 92,244

### LIABILITIES AND NET ASSETS - UNRESTRICTED

#### Liabilities

Accounts payable	\$	5,637
Accrued liabilities		17,488

Total liabilities 23,125

#### Net Assets - Unrestricted

69,119

Total liabilities and net assets - unrestricted \$ 92,244

See accountant's review report and accompanying notes to financial statements



**ALL ABOUT ANIMALS RESCUE, INC.**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - UNRESTRICTED  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Program Services	Supporting Services	Fundraising	Total Functional Expenses
<b>Revenue and Support From Operations</b>				
Michigan Humane Society				\$ 27,755
Petsmart	\$ 123,924	\$ 35,316		\$ 159,240
Spay Michigan	137	632		10,000
Other contributions and support	3,491	431		396,621
Advertising	12,993		4,723	
Printing	62			
Professional	83,712			484,376
Telephone	106			
Travel	5,882			
Program services	2,536	328		396,722
Supporting services	634			37,149
Fundraising	19,350	1,650		4,723
	124,090	15,317		438,594
<b>Total revenue and support from operations</b>				484,376
<b>Functional Expenses</b>				
Program services				
Supporting services				
Fundraising				
<b>Total functional expenses</b>				438,594
<b>Increase in Net Assets</b>				45,782
<b>Net Assets - Unrestricted - January 1, 2008</b>				23,337
<b>Net Assets - Unrestricted - December 31, 2008</b>				\$ 69,119

See accountant's review report and accompanying notes to financial statements

# ALL ABOUT ANIMALS RESCUE, INC.

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2008

	Program Services	Supporting Services	Fundraising	Total Functional Expenses
Salaries and fringes	\$ 123,924	\$ 15,316	\$ -	\$ 139,240
Outside services	137	832	-	969
Utilities	3,491	431	-	3,922
Advertising	12,993	-	4,723	17,716
Printing and postage	62	-	-	62
Professional fees	83,712	-	-	83,712
Entertainment	106	-	-	106
Depreciation	5,882	-	-	5,882
Telephone	2,636	326	-	2,962
Interest/finance charges	634	-	-	634
Space rental	13,350	1,650	-	15,000
Supplies	124,090	15,337	-	139,427
Dues and subscriptions	364	-	-	364
Maintenance and repairs	4,385	542	-	4,927
Insurance	3,853	476	-	4,329
Payroll taxes	11,185	1,382	-	12,567
Bad debt expense	-	126	-	126
Miscellaneous	5,918	731	-	6,649
	<u>5,918</u>	<u>731</u>	<u>-</u>	<u>6,649</u>
 Total functional expenses	 <u>\$ 396,722</u>	 <u>\$ 37,149</u>	 <u>\$ 4,723</u>	 <u>\$ 438,594</u>

See accountant's review report and accompanying notes to financial statements

# ALL ABOUT ANIMALS RESCUE, INC.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2008

### Cash Flows From Operating Activities:

Increase in net assets	\$	45,782
Adjustments:		
Depreciation		5,882
Bad debt expense		126
Changes in assets and liabilities:		
Increase in accounts receivable		(5,250)
Increase in prepaid rent		(2,000)
Increase in security deposits		(2,000)
Increase in accounts payable		5,637
Increase in accrued liabilities		17,488
Total adjustments		<u>19,883</u>
Net cash provided from operating activities		65,665
Cash Flows From Investing Activities:		
Purchase of equipment		<u>(62,718)</u>
Net Increase in Cash and Cash Equivalents		2,947
Cash and Cash Equivalents - January 1, 2008		<u>23,211</u>
Cash and Cash Equivalents - December 31, 2008	\$	<u><u>26,158</u></u>

See accountant's review report and accompanying notes to financial statements



# ALL ABOUT ANIMALS RESCUE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

### Note 1 - Nature of Activities and Significant Accounting Policies

#### Nature of Activities

All About Animals Rescue, Inc. (AAAR or "the Organization") is a non-profit animal welfare group that was formed in June 2005. They are dedicated to the goal of no more homeless pets in the State of Michigan. AAAR does this by promoting and providing adoption, spay/neuter, and wellness programs in Warren, Michigan.

#### Basis of Presentation

All About Animals Rescue, Inc. has adopted Statement of Financial Accounting Standards No. 116, *Accounting for Contributions Received and Contributions Made*, and Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Under these standards, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of All About Animals Rescue, Inc. and changes therein are classified and reported as follows:

#### Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

#### Income Taxes

AAAR is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

See accountant's review report



# ALL ABOUT ANIMALS RESCUE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

### Note 1 - Nature of Activities and Significant Accounting Policies - Continued

#### Equipment and Software

Depreciation is provided over the estimated useful lives of the assets on the straight-line method. Donated equipment is stated at cost or approximate fair value at the date of donation.

#### Accounts Receivable

Accounts receivable are carried at customer invoice amounts. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. Amounts deemed uncollectible are written-off in the period that determination is made. The Organization considers all accounts receivable to be fully collectible.

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

AAAR receives a substantial portion of its contributions from companies and individuals across the United States. This country has experienced job losses and other recessionary impacts that could significantly impact the Organization's future operations and financial conditions.

See accountant's review report

# ALL ABOUT ANIMALS RESCUE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

### Note 1 - Nature of Activities and Significant Accounting Policies - Continued

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include highly liquid debt instruments with original maturities of three months or less. AAAR places its temporary cash investments with high credit quality financial institutions. AAAR's cash balance was not in excess of the FDIC insurance limit at December 31, 2008. All cash and cash equivalents are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain cash and cash equivalents, it is at least reasonably possible that changes in the values of cash and cash equivalents could occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

#### Allocation of Functional Expenses

In the statement of functional expenses, salaries and related expenses are allocated to program services and supporting services on the basis of the actual or estimated time devoted to those activities. Other expenses have been allocated using various bases as determined by management.

Expenses reported under program services represent the cost of providing adoptions, spay/neuter, and wellness. Expenses reported under supporting services include costs relating to the operations of the Organization, general recordkeeping, accounting, general board activities, fundraising and other related costs.



# ALL ABOUT ANIMALS RESCUE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

### Note 2 - Equipment

The principal categories of equipment as of December 31, 2008 may be summarized as follows:

Furniture, fixtures and equipment	\$ 62,718
Less accumulated depreciation	<u>5,882</u>
Total undepreciated cost	<u>\$ 56,836</u>

### Note 3 - Donated Goods and Services

The accompanying financial statements reflect the actual cost or fair market value of certain goods and services donated to AAAR during the year ended December 31, 2008. Such goods and services include duplicating, research, promotion, telephone, printing and medical supplies.

The value of time donated by volunteers to AAAR has not been determined. The value of such services has not been reflected in the financial statements for the year ended December 31, 2008.

See accountant's review report



# ALL ABOUT ANIMALS RESCUE, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

### Note 4 - Operating Expense

AAAR leases its office space from unrelated third parties. Total lease expense for the year ended December 31, 2008 was \$15,000.

The Organization's office lease is a noncancelable lease agreement requiring monthly payments of \$2,000 per month expiring on September 2011.

The future minimum rental payments under this operating lease as of December 31, 2008 are as follows:

2009	\$	24,000
2010		24,000
2011		<u>16,000</u>
Total	\$	<u>64,000</u>

See accountant's review report