

BASENJI RESCUE AND TRANSPORT, INC.
FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Basenji Rescue and Transport, Inc.
Germantown, Tennessee

We have audited the accompanying financial statements of Basenji Rescue and Transport, Inc. (a nonprofit organization) which comprise the statement of assets, liabilities, and net assets – cash basis as of September 30, 2013 and the related statement of support, revenues and expenses – cash basis for the nine month period 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 the cash basis of accounting described in Note 2; 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 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 Basenji Rescue and Transport, Inc. as of September 30, 2013, and the changes in its net assets for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "Zoula Kaplan, PLLC". The signature is written in a cursive style with a large, sweeping initial 'Z'.

Germantown, Tennessee
November 26, 2013

BASENJI RESCUE AND TRANSPORT, INC.
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - CASH BASIS
SEPTEMBER 30, 2013

ASSETS

Cash	\$ 106,052
Certificate of deposit	<u>35,910</u>
TOTAL ASSETS	<u>\$ 141,962</u>

LIABILITIES AND NET ASSETS

Liabilities	\$ -
Net Assets	
Unrestricted	<u>141,962</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 141,962</u>

The accompanying notes are an integral part of these financial statements

BASENJI RESCUE AND TRANSPORT, INC.
STATEMENT OF SUPPORT, REVENUES, AND EXPENSES - CASH BASIS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013

Support and Revenues

Contributions	\$ 42,120	
Adoption fees	22,625	
In-kind contributions and donated services	9,327	
Special event revenue-convention	8,098	
Fundraising	2,770	
Affiliate program income	1,059	
Total Support and Revenues	85,999	\$ 85,999

Expenses

Veterinary fees	55,521	
Special event-convention	6,684	
Transportation	3,804	
Computer and internet	2,856	
Dog food and supplies	2,821	
Accounting services	2,700	
Webpage and information technology support	2,700	
Insurance	1,854	
Telephone	1,314	
Fundraising expenses	784	
PayPal service charges	766	
Kenneling and boarding	722	
Shelter fees	704	
Training	701	
Office Supplies	605	
Miscellaneous	549	
Postage	513	
Total Expenses	85,598	85,598

Change in net assets

Excess of Support and Revenues over Expenses		401
Net Assets at the Beginning of the Year		141,561
NET ASSETS AT SEPTEMBER 30, 2013		\$ 141,962

The accompanying notes are an integral part of these financial statements

BASENJI RESCUE AND TRANSPORT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013

NOTE 1 – ORGANIZATION AND PURPOSE

Basenji Rescue and Transport, Inc. (BRAT) was formed as a Texas nonprofit in February 1999. It is governed by a board of directors, which consists of five elected individuals. The mission of the Organization is to provide charitable assistance to local groups and individuals in all aspects of rescuing Basenji dogs from animal shelters and other detrimental situations and assisting in the placement and transport of these dogs to new homes.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

BRAT's accounts are maintained, and these statements are presented, on a cash basis method of accounting. Accordingly, revenues are recorded when received rather than when earned and expenses are recognized when paid rather than when the obligations are incurred. Consequently, receivables, payables, and accrued income and expenses, which would be recognized under accounting principles generally recognized in the United States of America, and which may be material in amount, are not recognized in the accompanying financial statements.

Contributions

Contributions received by the Foundation are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions. At September 30, 2013, there were no restricted assets.

Income Taxes

BRAT is a not-for-profit organization that is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and is also exempt from state income taxes.

A Return of Organization Exempt from Income Tax (Form 990) is filed annually with the Internal Revenue Service. In accordance with Internal Revenue Service guidelines of using the same accounting method on the return for revenue and expenses that it uses to maintain its books and records, the Form 990 is appropriately presented on a cash basis of accounting.

Concentrations

BRAT maintains its cash in bank deposit accounts located in Memphis, Tennessee. At September 30, 2013, the bank balances were insured through the Federal Deposit Insurance Corporation (FDIC).

Cash Equivalents

Cash equivalents are defined as short term, highly liquid investments that are both readily convertible to known amounts of cash and are so near maturity that they present an insignificant risk of change in value because of changes in interest rates.

BASENJI RESCUE AND TRANSPORT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Subsequent Events

Management has evaluated all events or transactions that occurred after September 30, 2013 and through November 26, 2013, which is the date these financial statements were available to be issued.

NOTE 3 – DONATED SERVICES

Many individuals volunteer their time and perform a variety of tasks for the Organization with specific assistance programs, fund raising campaigns, and various assignments. The value of these donated services is not reflected in the accompanying financial statements since there are no objective basis available by which to measure the value of such services.