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Thoroughbred Placement Resources, Inc.

FINANCIAL STATEMENTS

for the year ended December 31, 2016

Independent Accountant's Review Report

Board of Directors
Thoroughbred Placement Resources, Inc.

I have reviewed the accompanying financial statements of Thoroughbred Placement Resources, a not-for-profit organization, which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows for the fiscal year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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.

Accountant's Responsibility

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, except for the issue noted in the *Known Departure From Accounting Principles Generally Accepted in the United States of America* paragraph, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Known Departure From Accounting Principles Generally Accepted in the United States of America

As disclosed in Note B to these financial statements, Thoroughbred Placement Resources, Inc. follows a modified form of the cash basis of accounting. Accounting principles generally accepted in the United States of America require that organizations follow the accrual method of accounting. The effects of this departure from accounting principles generally accepted in the United States of America on the financial position, results of activities, and cash flows have not been determined.

Other Matters

The supplementary data appearing at the end of this report are presented only for supplementary analysis purposes. This supplementary information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I am not aware of any material modifications that should be made to these data.

A handwritten signature in black ink, appearing to be 'D. J. ...', located below the 'Other Matters' section.

Sharpsburg, Maryland

December 12, 2017

Thoroughbred Placement Resources, Inc.
Statements of Financial Position, modified cash basis
for the year ended December 31, 2016

Assets

Current Assets

Cash and Cash Equivalents	\$	44,566
Inventory		2,500
Total Current Assets	\$	<u>47,066</u>

Fixed Assets

Leasehold Improvements, Equipment		22,870
Less Accumulated Depreciation		<u>(2,781)</u>
Total Fixed Assets	\$	<u>20,089</u>

Total Assets	\$	<u><u>67,155</u></u>
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Liabilities and Net Assets

Current Liabilities

Credit Card Payable	\$	20,059
Total Current Liabilities	\$	<u>20,059</u>

Net Assets

Unrestricted		47,096
Temporarily Restricted		-
Permanently Restricted		-
Total Net Assets	\$	<u>47,096</u>

Total Liabilities & Net Assets	\$	<u><u>67,155</u></u>
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Thoroughbred Placement Resources, Inc.
Statement of Activities, modified cash basis
for the year ended December 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	TOTAL
Revenues, Grants & Other Support				
Contributions and Grants				
Individual Contributions	\$ 75,860	\$ -	\$ -	\$ 75,860
Corporate Contributions	6,032			6,032
Foundation Grants	32,827			32,827
Donated Rent	24,000			24,000
Total Contributions and Grants	<u>\$ 138,718</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,718</u>
Earned Income				
Horse Adoption Fees	\$ 17,700			\$ 17,700
Fundraising Income, net	2,384			2,384
Total Earned Income	<u>\$ 20,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,084</u>
Total Revenues, Grants & Other Support	\$ 158,802	\$ -	\$ -	\$ 158,802
Expenses				
Program Services	\$ 135,873			\$ 135,873
Supporting Services				
Management and General	17,327			17,327
Fund Raising	3,170			3,170
Total Expenses	<u>\$ 156,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,370</u>
Change in Net Assets	\$ 2,432	\$ -	\$ -	\$ 2,432
Net Assets at Beginning of Year	\$ 44,664	\$ -	\$ -	\$ 44,664
Net Assets at End of Year	\$ 47,096	\$ -	\$ -	\$ 47,096

Thoroughbred Placement Resources, Inc.
Statements of Cash Flows, modified cash basis
for the year ended December 31, 2016

Cash Flows from Operating Activities

Change in Net Assets	\$	2,432
Depreciation - expense not requiring cash		-
(Increase) Decrease in Inventory		-
Increase (Decrease) in Credit Cards Payable		19,054
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Net Cash (used) provided by operating activities	\$	21,486
Net Increase (Decrease) in Cash	\$	21,486
Cash at Beginning of Year	\$	23,080
Cash at End of Year	\$	44,566

Thoroughbred Placement Resources, Inc.

Notes to Financial Statements for the year ended December 31, 2016

Note A - Organization

Thoroughbred Placement Resources, Inc. (TPR) is a resource for those who wish to place and/or retrain retiring Thoroughbred racehorses. TPR counsels, consults, and teaches others how to successfully transition, retrain, and find homes for retiring Thoroughbred racehorses. TPR strives to improve the reputation of the Thoroughbred by providing correct information about breed.

Note B – Accounting Policies

The financial statements for Thoroughbred Placement Resources, Inc. 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. Under the cash basis of accounting, revenue is recognized when received and expenses recognized when paid. Under the accrual basis of accounting revenue is recognized when earned and expenses are recognized when incurred, which is a crucial element of accounting principles generally accepted in the United States of America.

The books of TPR are modified from the cash basis of accounting by the recognition of credit card debt, capitalization and depreciation of fixed assets, and classifying excess inventory as an asset.

TPR reports information regarding its financial position and activities according to three classes of net assets: (1) unrestricted net assets, which represent the expendable resources that are available for operations at management's discretion, (2) temporarily restricted net assets, which represent resources restricted by donors as to purpose or by passage of time, and (3) permanently restricted net assets, which represent resources whose use by the TPR is limited by donor stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the organization. TPR had no permanently or temporarily restricted net assets as of December 31, 2016.

For purposes of the statements of cash flows, TPR considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Thoroughbred Placement Resources, Inc.

Notes to Financial Statements for the year ended December 31, 2016

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. As a supplement to these financial statements, statements of functional expenses are presented for analysis purposes, and have been subjected to the inquiry and analytical procedures applied to the review of the basic financial statements.

Note C – Income Tax Status

The organization is an exempt organization operating under Section 4940(d)(2) of the Internal Revenue Code. Under current law and the provisions of 501 (c) (3) of the Internal Revenue Code, the organization is exempt from Federal and State taxes on income except for unrelated business income, if any.

The organization follows the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC), which provides guidance on accounting for uncertainty in income taxes recognized in the organization's financial statements. The guidance prescribes a recognition threshold and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. As of December 31, 2016, the organization had no uncertain tax positions that qualify for either recognition or disclosure in its financial statements.

The organization's policy is to recognize interest and penalties on tax positions related to its unrecognized tax benefits in income tax expense in the financial statements. No interest and penalties were recorded in the year ended December 31, 2016.

Note D – Rent

The organization uses space provided by private individuals at no cost to the organization. The donated cost of the use of space is included in these financials at an estimated value of \$24,000 per year.

Thoroughbred Placement Resources, Inc.

Notes to Financial Statements for the year ended December 31, 2016

Note E – Fixed Assets

The following summarizes the fixed assets as of December 31, 2016:

Leasehold Improvements	\$12,313
Furniture and Equipment	10,557
Less accumulated depreciation	<u>(2,781)</u>
Total	\$20,089

No depreciation was taken in the year ended December 31, 2016.

SUPPLEMENTAL INFORMATION

Thoroughbred Placement Resources, Inc.
Statement of Functional Expenses, modified cash basis
for the year ended December 31, 2016

	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL
		Management & General	Fund Raising	
Accounting	\$ -	\$ 2,300	\$ -	\$ 2,300
Advertising, promotion		4,840	3,170	8,010
Barn help	19,935			19,935
Blacksmith	9,440			9,440
Hay and feed	36,940			36,940
Insurance	1,818			1,818
Interest		2,556		2,556
Legal fees		500		500
Office expenses		4,489		4,489
Rent	24,000			24,000
Repairs, Maintenance		2,642		2,642
Supplies	18,312			18,312
Training	8,316			8,316
Travel	3,112			3,112
Veterinary	14,000			14,000
Total Expenses	\$ 135,873	\$ 17,327	\$ 3,170	\$ 156,370