



**LITTLE
LONGEARS**
MINIATURE DONKEY RESCUE

YEARS ENDED
DECEMBER 31, 2024 AND 2023



Brown Plus

ACCOUNTANTS + ADVISORS

LITTLE LONGEARS MINI DONKEY RESCUE, INC.

YEARS ENDED DECEMBER 31, 2024 AND 2023

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Independent Auditor's Report

Board of Directors
Little Longears Mini Donkey Rescue, Inc.
New Oxford, Pennsylvania

Opinion

We have audited the financial statements of Little Longears Mini Donkey Rescue, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Little Longears Mini Donkey Rescue, Inc. as of December 31, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Little Longears Mini Donkey Rescue, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of Little Longears Mini Donkey Rescue, Inc. for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on August 31, 2024.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Little Longears Mini Donkey Rescue, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance; and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Little Longears Mini Donkey Rescue, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Little Longears Mini Donkey Rescue, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Brown Plus

Hanover, Pennsylvania
August 13, 2025

LITTLE LONGEARS MINI DONKEY RESCUE, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,423,003	\$ 725,457
Unconditional promises to give	114,802	69,906
Inventory	1,788	-
Prepaid expenses	45,394	30,566
Investments	26,489	13,545
	<u>1,611,476</u>	<u>839,474</u>
Total current assets	1,611,476	839,474
Property and equipment, net	<u>1,039,487</u>	<u>1,054,264</u>
Total assets	<u><u>\$ 2,650,963</u></u>	<u><u>\$ 1,893,738</u></u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 112,252	\$ 48,260
Accrued expenses	11,142	6,314
	<u>123,394</u>	<u>54,574</u>
Total liabilities, current	123,394	54,574
Net assets, net assets without donor restrictions	<u>2,527,569</u>	<u>1,839,164</u>
Total liabilities and net assets	<u><u>\$ 2,650,963</u></u>	<u><u>\$ 1,893,738</u></u>

See notes to financial statements.

LITTLE LONGEARS MINI DONKEY RESCUE, INC.

**STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Support, revenue and gains:		
Contributions:		
Direct mail campaigns	\$ 1,756,505	\$ 1,374,831
Other	<u>815,338</u>	<u>665,963</u>
	2,571,843	2,040,794
Special events	24,855	16,700
Product sales	6,459	6,929
Other income	4,594	7,226
Net investment income	19,078	1,838
Gain on disposal of property and equipment	<u>-</u>	<u>1,100</u>
Total support, revenue and gains	<u>2,626,829</u>	<u>2,074,587</u>
Expenses:		
Program services	<u>1,526,135</u>	<u>1,374,373</u>
Supporting services:		
Management and general	79,385	77,942
Fundraising	<u>332,904</u>	<u>311,077</u>
Total supporting services	<u>412,289</u>	<u>389,019</u>
Total expenses	<u>1,938,424</u>	<u>1,763,392</u>
Changes in net assets	688,405	311,195
Net assets without donor restrictions:		
Beginning of year	<u>1,839,164</u>	<u>1,527,969</u>
End of year	<u><u>\$ 2,527,569</u></u>	<u><u>\$ 1,839,164</u></u>

See notes to financial statements.

LITTLE LONGEARS MINI DONKEY RESCUE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Direct mail campaigns:				
Mailing costs	\$ 337,869	\$ 15,070	\$ 110,314	\$ 463,253
Printing costs	204,023	9,100	66,613	279,736
Professional fundraising services	-	-	128,073	128,073
Bookkeeping	10,216	456	3,336	14,008
Computer	15,765	703	5,147	21,615
Dues and registrations	6,413	286	2,094	8,793
List rental	16,788	749	5,482	23,019
Miscellaneous	14,435	644	4,713	19,792
Total direct mail campaigns	<u>605,509</u>	<u>27,008</u>	<u>325,772</u>	<u>958,289</u>
Operating expenses:				
Accounting	-	18,875	-	18,875
Advertising	1,875	-	-	1,875
Depreciation	113,606	-	-	113,606
Equipment parts and repairs	17,802	-	-	17,802
Farm supplies	159,665	-	192	159,857
Farrier	22,300	-	-	22,300
Food and beverages	-	-	5,889	5,889
Information technology	-	407	-	407
Insurance	35,787	-	-	35,787
Merchandise	5,680	-	-	5,680
Occupancy	49,303	226	1,051	50,580
Office expenses	6,700	11,605	-	18,305
Payroll taxes and benefits	30,559	1,547	-	32,106
Recruiting	18,407	-	-	18,407
Salaries	356,771	19,717	-	376,488
Travel	3,907	-	-	3,907
Veterinary	98,264	-	-	98,264
Total operating expenses	<u>920,626</u>	<u>52,377</u>	<u>7,132</u>	<u>980,135</u>
Total expenses	<u><u>\$ 1,526,135</u></u>	<u><u>\$ 79,385</u></u>	<u><u>\$ 332,904</u></u>	<u><u>\$ 1,938,424</u></u>

See notes to financial statements.

LITTLE LONGEARS MINI DONKEY RESCUE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Direct mail campaigns:				
Mailing costs	\$ 259,945	\$ 9,402	\$ 109,631	\$ 378,978
Printing costs	170,982	6,185	72,111	249,278
Professional fundraising services	-	-	101,749	101,749
Bookkeeping	7,689	278	3,243	11,210
Computer	13,118	475	5,533	19,126
Dues and registrations	6,566	238	2,770	9,574
List rental	10,797	391	4,554	15,742
Miscellaneous	10,165	368	4,287	14,820
Total direct mail campaigns	<u>479,262</u>	<u>17,337</u>	<u>303,878</u>	<u>800,477</u>
Operating expenses:				
Accounting	-	28,800	-	28,800
Advertising	3,698	-	-	3,698
Depreciation	106,878	-	-	106,878
Equipment parts and repairs	5,824	-	-	5,824
Farm supplies	132,166	-	-	132,166
Farrier	24,252	-	-	24,252
Food and beverages	-	-	7,199	7,199
Information technology	-	829	-	829
Insurance	41,157	-	-	41,157
Merchandise	5,982	-	-	5,982
Occupancy	33,054	-	-	33,054
Office expenses	5,713	9,946	-	15,659
Payroll taxes and benefits	39,079	1,494	-	40,573
Recruiting	4,709	-	-	4,709
Salaries	380,846	19,536	-	400,382
Travel	5,357	-	-	5,357
Veterinary	106,396	-	-	106,396
Total operating expenses	<u>895,111</u>	<u>60,605</u>	<u>7,199</u>	<u>962,915</u>
Total expenses	<u>\$ 1,374,373</u>	<u>\$ 77,942</u>	<u>\$ 311,077</u>	<u>\$ 1,763,392</u>

See notes to financial statements.

LITTLE LONGEARS MINI DONKEY RESCUE, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 688,405	\$ 311,195
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	113,606	106,878
Contributions of marketable securities	(12,339)	
Unrealized (gain) on investments	(605)	(572)
(Gain) loss on disposal of property and equipment	-	(1,100)
Changes in operating accounts:		
(Increase) decrease in:		
Unconditional promises to give	(44,896)	37,630
Inventory	(1,788)	7,954
Prepaid expenses	(14,828)	14,037
Accounts payable and accrued liabilities	68,820	(69,442)
Net cash provided by operating activities	<u>796,375</u>	<u>406,580</u>
Cash flows from investing activities:		
Purchases of:		
Property and equipment	(98,829)	(73,545)
Investments	-	(8,294)
Proceeds from sales of property and equipment	-	1,100
Net cash used in investing activities	<u>(98,829)</u>	<u>(80,739)</u>
Net change in cash and cash equivalents	697,546	325,841
Cash and cash equivalents:		
Beginning of year	<u>725,457</u>	<u>399,616</u>
End of year	<u><u>\$ 1,423,003</u></u>	<u><u>\$ 725,457</u></u>

See notes to financial statements.

LITTLE LONGEARS MINI DONKEY RESCUE, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2024 AND 2023

1. Nature of activities and significant accounting policies:

Nature of activities:

Little Longears Mini Donkey Rescue, Inc. (the Organization) is a nonprofit organization who is dedicated to the rescue, care and safe sanctuary of neglected, abused or otherwise unwanted donkeys. They also provide a safe haven for owners to surrender their donkeys in the event they are no longer able or willing to care for them.

Basis of presentation:

The Organization is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Net assets without donor restrictions:

Net assets that are not restricted by donor-imposed stipulations and are available to support operations.

Net assets with donor restrictions:

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Resources may also be received with donor-imposed restrictions that neither expire by being used in accordance with a donor's restricted purpose, nor by the passage of time.

The Organization reports contributions whose restrictions are met in the same reporting period as the contribution is recognized as net assets without donor restrictions.

Cash and cash equivalents:

Cash and cash equivalents include all unrestricted highly liquid investments available for current use with an initial maturity of three months or less.

Unconditional promises to give:

Contributions are recognized at their fair value when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value. The Organization expects all unconditional promises to give to be collected within the next year and, as such, has reported them all as current assets.

Inventory:

Inventory consists of materials used in direct mail activities and is valued at the lower of cost, using the first-in, first-out method, or net realizable value.

Prepaid expenses:

Prepaid expenses consist primarily of prepaid postage to be used in direct mail activities in the following year.

LITTLE LONGEARS MINI DONKEY RESCUE, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2024 AND 2023

1. Nature of activities and significant accounting policies (continued):

Investments:

The Organization invests in marketable securities with readily determinable market values which are valued at their fair value. Unrealized gains and losses are reported in the statements of activities as a component of net investment income. Contributions of marketable securities received by the Organization are recorded at fair value as of the date of the contribution.

Property and equipment:

Property and equipment are recorded at cost and donated assets are recorded at fair value as of the date of the contribution. The Organization capitalizes assets of \$2,500 or more and a useful life of greater than one year. Property and equipment are depreciated over their estimated useful lives using the straight-line method as follows:

Buildings and improvements	5 - 15 years
Land development/sitework	15 years
Equipment	5 - 7 years

Revenue recognition:

Support:

The Organization's contributions are considered nonexchange transactions, and therefore, are recognized when a promise to give becomes unconditional.

Revenue:

The Organization generates exchange revenue through special events. Revenue for each event is recognized when the event occurs in the amount that reflects consideration expected in exchange for the service. The Organization holds two fundraising events annually.

Advertising costs:

The Organization charges all costs of advertising to expense as incurred.

Functional expense allocations:

The costs of providing the various programs, supporting services and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification of expenses by function.

Expenses are charged to program service, management and general and fundraising on the basis of actual invoices received. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide the overall support and direction of the Organization.

LITTLE LONGEARS MINI DONKEY RESCUE, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2024 AND 2023

1. Nature of activities and significant accounting policies (continued):

Functional expense allocations:

Certain administrative expenses, such as salaries and related costs, are allocated to each functional category based upon the responsibilities of administrative personnel. See Note 6 for disclosures related to joint costs.

Tax-exempt status:

The Organization is incorporated under the laws of the Commonwealth of Pennsylvania as a nonprofit organization. The Organization has elected, under provisions of Internal Revenue Code Section 501(c)(3) and state income tax statutes, to be excluded from taxes on exempt function income. Therefore, no provision is made for taxes on income. The Organization has been classified as a publicly-supported organization, which is not a private foundation, under Section 509(a) of the Code.

Use of estimates:

Management uses estimates and assumptions in preparing the financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Reclassifications:

Certain reclassifications have been made to prior year amounts to conform to the current year financial statement presentation.

2. Concentrations of credit risk:

The Organization maintains its cash deposits at several financial institutions. Cash deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the year ended December 31, 2024. As of December 31, 2024, cash deposits exceeded the limit by \$399,317, representing the maximum loss risk.

The institution holding the Organization's investments is a member of the Securities Investor Protection Corporation (SIPC). SIPC insures the cash and securities in each investor's account up to \$500,000 against loss in the case of a failed brokerage firm or misappropriation of assets by the broker; however, only up to \$250,000 of the total coverage can be applied to cash. As of December 31, 2024, the Organization has \$26,489 in investments at one institution, which would be fully insured by SIPC in the event such failure or misappropriation occurs.

LITTLE LONGEARS MINI DONKEY RESCUE, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2024 AND 2023

3. Financial assets and liquidity resources:

The Organization's financial assets available for general expenditures within one year as of December 31 are as follows:

	2024	2023
Cash and cash equivalents	\$ 1,423,003	\$ 725,457
Unconditional promises to give	114,802	69,906
Investments	26,489	13,545
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 1,564,294	 \$ 808,908

The Organization has a policy to structure its financial assets to be available for its general expenditures, liabilities and other obligations as they come due.

4. Investments:

Investments are stated at fair market value and consisted of the following as of December 31:

	2024		2023	
	Cost	Fair value	Cost	Fair value
Equities	\$ 2,951	\$ 17,393	\$ 6,181	\$ 5,284
Mutual funds	5,449	9,096	5,449	8,261
	\$ 8,400	\$ 26,489	\$ 11,630	\$ 13,545

The Organization uses a framework for measuring fair value that prioritizes the inputs to valuation techniques used to measure fair value using a fair value hierarchy. The following are the major categories of assets measured at fair value on a recurring basis during the years ended December 31, 2024 and 2023: using quoted prices in active markets for identical assets (Level 1), significant other observable inputs (Level 2) and significant unobservable inputs (Level 3). The Organization has no assets categorized as Level 2 or 3.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at their fair value:

Equities: Valued at the quoted price in the active market for identical securities, a Level 1 input.

Mutual funds: Valued at the quoted price in the active market for identical securities, a Level 1 input.

The Organization's assets valued at fair value using Level 1 inputs were \$26,489 and \$13,545 as of December 31, 2024 and 2023, respectively.

LITTLE LONGEARS MINI DONKEY RESCUE, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2024 AND 2023

5. Property and equipment:

Property and equipment, at cost, consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Buildings and improvements	\$ 1,044,215	\$ 957,185
Land development/sitework	122,778	122,778
Equipment	<u>218,108</u>	<u>206,309</u>
	1,385,101	1,286,272
Accumulated depreciation	<u>(345,614)</u>	<u>(232,008)</u>
Total	<u>\$ 1,039,487</u>	<u>\$ 1,054,264</u>

Depreciation expense was \$113,606 and \$106,878 for the years ended December 31, 2024 and 2023, respectively.

6. Allocation of joint costs:

The Organization conducts direct mail campaigns, which include both appeals for contributions and program components. The Organization allocates the expenses incurred for direct mailing pieces that meet the criteria for allocation among the functional expenses to which the costs relate. The allocation is based on analysis of the content of the mailings. Total costs of the mailings and related expenses which were allocated are as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Program services	\$ 605,509	\$ 479,262
Management and general	27,008	17,337
Fundraising	<u>325,772</u>	<u>303,878</u>
	<u>\$ 958,289</u>	<u>\$ 800,477</u>

7. Occupancy costs and related party transactions:

The Organization's donkey rescue operations and office are located at the personal residence of both the Organization's board president, whom is also the executive director, and the board treasurer. The property owners and the Organization have an agreement whereby, in lieu of regular rental payments, the Organization will pay for reasonable and necessary repairs and maintenance, as well as improvement costs, related to the portions of the property being used for rescue and related operations. Repairs and maintenance expenses for the years ended December 31, 2024 and 2023 were \$32,567 and \$32,964, respectively. The capital expenditures related to the property for the years ended December 31, 2024 and 2023 were \$87,030 and \$55,932, respectively.

LITTLE LONGEARS MINI DONKEY RESCUE, INC.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

7. Occupancy costs and related party transactions (continued):

The Organization also rents a home provided to employees for the convenience of their employment due to the nature of their work. The home is rented from the board treasurer's parents. The lease agreement commenced July 1, 2024 for \$2,100 per month for a 12-month term, at which point the lease will be on a month-to-month basis.

8. Subsequent events:

Management has evaluated subsequent events through August 13, 2025, the date the financial statements were available to be issued.