

BOYKIN SPANIEL RESCUE, INC.

*FINANCIAL STATEMENTS
DECEMBER 31, 2021*

Boykin Spaniel Rescue, Inc.

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C. DEWITT FOARD & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS
817 EAST MOREHEAD STREET SUITE 100
CHARLOTTE, NORTH CAROLINA 28202
TELEPHONE: 704-372-1515 WWW.CDFCO.COM

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of
Boykin Spaniel Rescue, Inc.
Boiling Springs, South Carolina

We have reviewed the accompanying financial statements of Boykin Spaniel Rescue, Inc. ("the Organization" - a nonprofit corporation), which comprise the statement of financial position – modified cash basis as of December 31, 2021, and the related statements of activities – modified cash basis and cash flows – modified cash basis for the 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 the Organization's 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 taken as a whole. Accordingly, we 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 the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of 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.

Accountant's Responsibility

Our 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 AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Boykin Spaniel Rescue, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

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 the modified cash basis of accounting.

Boykin Spaniel Rescue, Inc.
Boiling Springs, South Carolina

Basis of Accounting

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

C. Dewitt Ford & Company, P.A.
September 19, 2022

Boykin Spaniel Rescue, Inc.**Statement of Financial Position - Modified Cash Basis****December 31, 2021**

ASSETS

Current Assets:

Cash	\$	601,944
Inventory		658

Total Current Assets **602,602**

Non-current Assets:

Beneficial interest in assets held in trust		100,825
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Total Non-current Assets **100,825**

TOTAL ASSETS **\$ 703,427**

LIABILITIES AND NET ASSETS

Current Liabilities:

Credit cards payable	\$	5,838
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Total Current Liabilities **5,838**

Net Assets Without Donor Restrictions		697,589
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Total Net Assets **697,589**

TOTAL LIABILITIES AND NET ASSETS **\$ 703,427**

Boykin Spaniel Rescue, Inc.
Statement of Activities - Modified Cash Basis
Year Ended December 31, 2021

SUPPORT AND REVENUE

Contributions	\$	504,194
Merchandise sales		34,987
Adoptions and fees		25,101
Grants		93,520
Other revenues		15,409
Fundraising		13,397
In-kind revenue		15,836
Interest income		1,360
<i>Total Support and Revenue</i>		<i>703,804</i>

EXPENSES

Animal care		232,721
Cost of goods sold		23,609
Fundraising		2,742
Insurance		2,326
Management fees		11,601
Marketing		11,483
Office expenses		8,830
Salaries and wages		96,000
Payroll taxes		7,344
Professional and contracted services		55,610
<i>Total Expenses</i>		<i>452,266</i>

CHANGE IN NET ASSETS ***251,538***

NET ASSETS, BEGINNING ***446,051***

NET ASSETS, ENDING ***\$ 697,589***

Boykin Spaniel Rescue, Inc.
Statement of Cash Flows - Modified Cash Basis
Year Ended December 31, 2021

OPERATING ACTIVITIES

Change in net assets	\$ 251,538
Adjustments to reconcile changes in net assets to cash flows from operating activities:	
(Increase) in value of beneficial interest	(825)
Decrease in inventories	4,622
Increase in credit card payable	5,838
	<hr/>
<i>Cash Flows From</i>	
<i>Operating Activities</i>	261,173

INVESTING ACTIVITIES

Purchase of value of beneficial interest	(100,000)
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<i>Cash Flows From</i>	
<i>Investing Activities</i>	(100,000)

<i>NET CHANGE IN CASH</i>	161,173
<i>CASH, BEGINNING</i>	440,771
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<i>CASH, ENDING</i>	\$ 601,944

Boykin Spaniel Rescue, Inc.

Notes to Financial Statements

December 31, 2021

NOTE 1 – NATURE OF ACTIVITIES

Organization

Boykin Spaniel Rescue, Inc. (the Organization) was incorporated under the laws of the State of South Carolina as a nonprofit organization in May 2001.

Purpose

The Organization is committed to raising the funds necessary to make sure that every Boykin Spaniel that needs medical or emotional assistance get that help, and then is placed in a forever home. Sometimes, that home is a Permanent Foster Care home, where that dog will remain for the rest of his/her life, with the support of the Organization, including but not limited to providing medical care and rehabilitation services when required.

Funding

The Organization's operations are primarily funded by monetary contributions, grants and donations from individuals and corporations as well as in-kind donated goods and services and adoption fees, fundraising events and investment income.

The effectiveness of the Organization depends on the continued generosity of our corporate and individual donors as well as time donated by our volunteers. The Organization is committed to maintaining a network of volunteers, educating the public on Boykin Spaniel's and the necessity of preserving this American symbol.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Pursuant to the cash basis of accounting, revenue and the related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred. In addition, all other amounts received are recorded as cash receipts and all other amounts expended are recorded as cash disbursements. The Organization has elected to adopt the following modifications to the cash basis of accounting:

- Inventories held for resale which have been purchased but not yet sold at year end are presented on the financial statements at lower of average cost or market value.
- Purchases and disposals of investments are shown as increases and decreases in an asset account rather than as receipts and disbursements. Also, investments are presented on the financial statements at fair value.
- Amounts paid to utilize credit cards are recorded as expenses and liabilities when the expense is incurred rather than when the expense is paid.
- Amounts have been reflected in the financial statements for goods and services donated to the Organization.

Boykin Spaniel Rescue, Inc.

Notes to Financial Statements

December 31, 2021

The significant differences between the basis of accounting employed by the Organization and generally accepted accounting principles, in addition to the timing of the recognition of revenue and expenses, are as follows:

- Funds the Organization receives and disburses for the benefit of others are recorded as receipts and disbursements rather than as changes in a liability account.

Basis of Accounting

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization is required to report net assets and changes therein classified as follows:

- *Net assets without donor restrictions* - Net assets can be both undesignated and designated in nature. Undesignated are those currently available for use in the day-to-day operation of the Organization.
- *Net assets with donor restrictions* - Net assets with donor restrictions consist of net assets with restrictions that are temporary in nature, which are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization or the passage of time, and net assets to be held in perpetuity, which are subject to donor-imposed stipulations that they be maintained permanently by the Organization. At December 31, 2021, the Organization has no net assets with donor restrictions.

Contributions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Restricted support received is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Restricted grants and contributions whose restrictions are met in the same reporting period as received are reported in support without donor restrictions.

Donated Services and Goods

Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated goods, if significant, are included in support at fair value. During the year, the Organization recorded \$15,836 of goods or services comprised of transportation costs, vet services, toys, treats, equipment and general office supplies.

In addition, the Organization receives a substantial amount of donated services from unpaid volunteers in its program activities. No amounts have been reflected in the financial statements for these services since they generally do not meet the criteria for recognition.

Boykin Spaniel Rescue, Inc.

Notes to Financial Statements

December 31, 2021

Cash and Equivalents

Cash and equivalents consist of cash on hand, cash in interest-bearing checking accounts, money market funds, and certificates of deposit with an original maturity of ninety days or less.

Inventories

Inventories, which consist primarily of information booklets and calendars, are valued at the lower of average cost or market value.

Federal Income Tax Status

The Organization is a nonprofit organization and is exempt from Federal income tax on its exempt function income under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation.

NOTE 3 – INVESTMENTS

Quasi-endowment and Non-endowed funds

The Foundation for the Carolinas manages Boykin Spaniel Rescue, Inc's quasi-endowment and non-endowed funds and they make all investment decisions related to the Fund. The Board of Directors of the Foundation for the Carolinas has complete discretion as to the timing and amounts of distributions from these funds; however, all funds are ultimately repayable to Boykin Spaniel Rescue, Inc. and the Foundation for the Carolinas has no variance power to distribute any portion of these funds to another not-for-profit entity. In accordance with elections made by the Organization under the modified cash basis of accounting, the fund's assets and the related investment income are included in the accompanying financial statements. The amounts included in these financial statements represent the fair value of the Organizations' investments and the related investment income earned on the funds.

Fair Value Measurements

Generally accepted accounting principles require the fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

Level 1 - Fair value is based on quoted prices in active markets for identical assets or liabilities.

Level 2 - Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Boykin Spaniel Rescue, Inc.

Notes to Financial Statements

December 31, 2021

Boykin Spaniel Rescue, Inc's beneficial interest in the Foundation for the Carolinas are classified as Level 3 assets and is valued by the Foundation based on the value of the underlying securities, which consist of investments that are publicly traded and are not publicly traded.

The following table sets forth a summary of changes in the fair value of Boykin Spaniel Rescue, Inc's Level 3 assets for the year ended December 31, 2021:

Balance, beginning of year	\$ -
Purchases	100,000
Net increase in value	<u>825</u>
Balance, end of year	<u>\$ 100,825</u>

NOTE 4 – FUNCTIONAL EXPENSES

The Organization's activities are focused in three functional areas. Program services represent the primary focus of the Organization's activities. Supporting services are fundraising activities and general and administrative activities.

All expenses have been allocated based on an analysis by management of the various expenses that comprise those costs. The costs of providing the various programs and other activities for the year ended December 31, 2021, are summarized on a functional basis below.

	<u>TOTAL</u>	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>
Animal care	\$ 232,721	\$ 232,721	\$ -	\$ -
Costs of goods sold	23,609	19,781	-	3,828
Fundraising	2,742	-	-	2,742
Insurance	2,326	-	2,326	-
Management fees	11,601	-	11,601	-
Marketing	11,483	-	-	11,483
Office expenses	8,830	4,200	2,921	1,709
Salaries and wages	96,000	86,400	9,600	-
Payroll taxes	7,344	6,610	734	-
Professional and contracted services	55,610	14,130	41,480	-
TOTAL	\$ 452,266	\$ 363,842	\$ 68,662	\$ 19,762

Boykin Spaniel Rescue, Inc.

Notes to Financial Statements

December 31, 2021

NOTE 5 – CONCENTRATION OF RISKS

Cash and Cash Equivalents

Cash held in bank accounts is insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The Organization holds cash in excess of the insured limits covered by the FDIC; however, the Organization believes it is not exposed to any significant credit risk related to these accounts.

Investments

Investments held at FFTC are not insured. The Organization invests in a variety of investments chosen by FFTC, which are subject to fluctuations in market values and expose the Organization to a certain degree of investment risk. .

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$601,944 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash. None of the financial assets available are subject to donor restrictions to be utilized for a specific purpose. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 7 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the review report, which is the date the financial statements are available to be issued. During this period, no material recognizable subsequent event was identified.