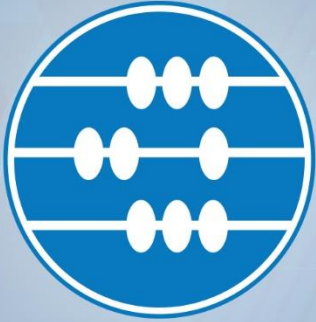


SPIKE K-9 FUND  
FINANCIAL STATEMENTS  
(with Independent Accountant's Review Report Thereon)  
FOR THE YEAR ENDED DECEMBER 31, 2022



*Richard C. Brozewicz*

Certified Public Accountant

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*Richard C. Brozewicz*  
Certified Public Accountant

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
Spike K-9 Fund  
Virginia Beach, VA 23455

We have reviewed the accompanying financial statements of Spike K-9 Fund, which comprise the statement of assets, liabilities and net assets- cash basis as of December 31, 2022, and the related statements of income and expenses- cash basis, and statement of functional expenses-cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to the owner's financial data and making inquiries of the owner. 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, we do not express such an opinion.

### **Owner's Responsibility for the Financial Statements**

The owner is responsible for the preparation and fair presentation of these financial statements in accordance with other comprehensive basis of accounting- cash basis; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 other comprehensive basis of accounting- cash basis. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Richard C. Brozewicz, CPA  
PO Box 808  
Fate, Texas 75132  
PH: (972)-210-3467

[richard.brozewicz@brozewiczcpa.com](mailto:richard.brozewicz@brozewiczcpa.com)  
[www.brozewiczcpa.com](http://www.brozewiczcpa.com)



*Richard C. Brozewicz*  
Certified Public Accountant

### **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 other comprehensive basis of accounting- cash basis.

Respectfully submitted,

Richard Brozewicz, CPA

Fate, Texas

November 09, 2023

## Statement of Assets, Liabilities &amp; Net Assets-Income Cash Basis

December 31, 2022

	<u>2022</u>
<b>ASSETS</b>	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 1,058,999
Total Current Assets	<u>\$ 1,058,999</u>
NON-CURRENT ASSETS	
Property, Plant, and equipment net of depreciation	\$ 6,363
Total Non-Current Assets	<u>\$ 6,363</u>
TOTAL ASSETS	<u><u>\$ 1,065,362</u></u>
<b>LIABILITIES AND NET ASSETS</b>	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 178,580
Total Current Liabilities	<u>\$ 178,580</u>
NET ASSETS	
Without Donor Restrictions	\$ 886,781
Total Net Assets	<u>\$ 886,781</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,065,361</u></u>

See accompanying notes and independent accountant's review report

## Spike K-9 Fund

## Statement of Income and Functional Expenses- Income Cash Basis

December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>INCOMES AND OTHER SUPPORT</b>			
Contributions of cash and other financial assets	\$ 818,128	\$ -	\$ 818,128
Special Events	-	-	-
Government Grants (PPP Loan)	-	-	-
Program Service	-	-	-
Net assets released from restrictions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Totald Revenue	<u>\$ 818,128</u>	<u>-</u>	<u>\$ 818,128</u>
<b>FUNCTIONAL EXPENSES</b>			
Program Service Expenses	\$ 1,151,356	\$ -	\$ 1,151,356
Management and General Expenses	165,934	-	165,934
Fundraising Expenses	<u>107,925</u>	<u>-</u>	<u>107,925</u>
Total Functional Expenses	<u>\$ 1,425,216</u>	<u>\$ -</u>	<u>\$ 1,425,216</u>
Excess of Public Support and Revenues Over Expenses ( change in Net Assets)	(607,088)	-	(607,088)
Net assets, beginning of year	<u>1,493,869</u>	<u>-</u>	<u>1,493,869</u>
Net assets, end of year	<u><u>\$ 886,781</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 886,781</u></u>

See accompanying notes and independent accountant's review report

## Spike K-9 Fund

## Statement of Functional Expenses- Cash Basis

December 31, 2022

	Program Services	Special Events (Fundraising)	Admin. Indirect Services	TOTAL
Advertising	\$ -	\$ 11,380	\$ -	\$ 11,380
Design Services	-	4,000	-	4,000
Event Expenses	-	13,029	-	13,029
Merchandise Expense	-	66,767	-	66,767
Bank Fees	-	40	159	199
Classy Fees	-	5,457	-	5,457
Facebook Fees	-	4,502	-	4,502
GiveSmart Fees	-	240	-	240
PayPal Fees	-	1,244	-	1,244
Shopify Fees	-	1,265	-	1,265
Accounting Fees	-	-	44,500	44,500
Computer and Internet	-	-	5,705	5,705
Computer Software	-	-	21,261	21,261
Depreciation Expense	-	-	2,780	2,780
Equipment R&M	-	-	384	384
Flowers	-	-	531	531
Health Insurance Reimbursement	-	-	2,343	2,343
Home Office Reimbursement	-	-	2,100	2,100
Insurance - Liability, D and O	-	-	6,038	6,038
Meals	1,495	-	601	2,096
Office Expenses	-	-	10,728	10,728
Payroll Taxes-ER portion	16,971	-	4,243	21,214
Salaries & Wages	220,740	-	55,185	275,925
Simple IRA-ER match	2,807	-	728	3,534
Personal Property	-	-	59	59
Sales Tax Expense	-	-	2,805	2,805
Postage	-	-	1,528	1,528
Telephone	-	-	508	508
Cell Phone Reimbursement	-	-	1,400	1,400
Uniforms	-	-	2,347	2,347
Combat Dog Diesel Medical Campaign	61,957	-	-	61,957
Contributions to other orgs	200	-	-	200
K9 Course Construction	163	-	-	163
K9 Krijger Ballistic Vest Campaign	577,994	-	-	577,994
K9 Piper Kit Campaign	70,409	-	-	70,409
Outside Contract Services	400	-	-	400
Spike's Schools	128,698	-	-	128,698
Lodging	38,954	-	-	38,954
Transportation	29,498	-	-	29,498
Travel Insurance	1,072	-	-	1,072
<b>TOTAL</b>	<b>\$ 1,151,356</b>	<b>\$ 107,925</b>	<b>\$ 165,934</b>	<b>\$ 1,425,216</b>

See accompanying notes and independent accountant's review report

**Note 1: Summary of Significant Accounting Policies****Nature of Business**

Spike K-9 Fund ("Organization") is a an is an Virginia nonprofit organization that began operations in 2015. Spike K-9 fund as founded by James Hatch, a retired Special Warfare Operator. As a K9 handler on several deployments, James' life was regularly spared by the work of K9s – one of the most memorable was Spike. And on James' final deployment, the night he was critically wounded, a K9 Remco spared James' life while losing his own. From that evening on, James oriented his life around the training, care and preservation of working dogs. In addition to working as the founder and president of the fund, he works with local law enforcement to fine tune their work.

**Summary of Significant Accounting Policies****Basis of Accounting**

For financial statement reporting purposes, the Organization's policy is to use the Cash basis of accounting in accordance with other comprehensive basis of accounting to prepare its' financial statements. Depreciation, is recorded using the same method used for income tax purposes.

**Functional Expense Allocation –**

The cost of providing various programs and other activities has been summarized in the statements of incomes and expenses and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Salaries, payroll taxes, office expenses, and postage are allocated based on time and effort.

**Revenue Recognition**

The Organization's primary source of revenue is from public contributions and grants. The revenue is recognized when donation are received in accordance with other comprehensive basis of accounting- cash basis.

**Note 1: Summary of Significant Accounting Policies (Cont)****Use of Estimates**

The preparation of financial statements in conformity with other comprehensive basis of accounting, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period. Actual results could differ from those estimates.

**Cash and Cash Equivalent**

All cash is maintained in a checking account and is completely covered by Federal Deposit Insurance Corporation (“FDIC”). For the purpose of the statement of cash flow any items that are highly liquid with a maturity of ninety days or less are considered to be cash equivalents.

**Income Tax**

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Management has evaluated the effect of the guidance provided by U.S. Generally Accepted Accounting Principles on Accounting for Uncertainty in Income Taxes. Management believes the Organization continues to satisfy the requirements of a tax-exempt organization at December 31, 2022. Management has evaluated all other tax positions that could have a significant effect on the financial statements and determined the Organization had no uncertain income tax positions at December 31, 2022

**Advertising**

Advertising is expensed as incurred.

**Current Liabilities**

At December 31, 2022, the organization had \$0 in trade accounts payable. The only current liabilities are the current portion of the credit cards payable, Simple IRA payable, and the restricted Funds of \$170,501. For a total of \$178,580.

**Note 1: Summary of Significant Accounting Policies (Cont)****Restricted Funds**

Donor or grantor-imposed conditions are separate from donor or grantor-imposed restrictions. The Organization records contributions of cash and other assets with donor or grantor-imposed restrictions as grants and contributions with donor restrictions within the statements of activities if they are received with donor stipulations that restrict the use of donated assets. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as released from restriction. However, donor-restricted grants and contributions whose restrictions are met in the same reporting period.

The Organization has \$170,000 in restricted funds for use in 2023 Spike School

**Fixed Assets and Accumulated Depreciation**

Property and equipment acquisitions are stated at cost. Depreciation is provided for using straight line depreciation over the estimated useful lives of the related assets. Maintenance and repairs are charged to expense as incurred. Renewals and betterments that materially extend the life of an asset are capitalized.

Leasehold	15 Years
Improvement	
Machinery and Equipment	5-10 Years
Vehicles	3-7 Years

**Note 2. Property, Equipment and Depreciation**

The following is a summary of fixed assets and the related accumulated depreciation as of December 31, 2022:

	12/31/2021 Balance	Additions	Deletions	12/31/2022 Balance
<b>Capital Asset, Being</b>				
Depreciated				
Furniture and Equipment	\$ 17,834	\$ 6,485	\$ -	\$ 24,319
Total Capital Assets				
Being Depreciated	\$ 17,834	\$ 6,485	\$ -	\$ 24,319
Accumulated Depreciation				
Furniture and Equipment	(15,176)	(2,780)	-	(17,956)
Total Depreciation	(15,176)	(2,780)	-	(17,956)
Total Capital Assets, Being Depreciated, Net	2,658	(2,780)	-	6,363
Net Capital Assets	\$ 2,658	\$ (2,780)	\$ -	\$ 6,363

Depreciation expense for the twelve months ending 12/31/2022 was \$2,780

**Note 3: Liquidity and availability of financial assets**

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

Cash and Cash equivalents	<u>2022</u> \$ 1,058,999
Total Financial Assets available to meet general expenditures within year	<u>\$ 1,058,999</u>

**Note 4: Related Party Transactions**

The Organization does not engage in any related party transactions.

**Note 5: Subsequent Events**

The Organization has evaluated all events and transactions that occurred after December 31, 2022 up through November 10, 2023, the date the financial statements were available to be issued. Per inquiry with management, and review of subsequent bank transactions no further items have been discovered requiring disclosure.

**Note 6: Concentrations**

The Organization places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Organization from time to time may have amounts on deposit in excess of the insured limits. As of December 31, 2022, the Organization had \$778,653 in uninsured amounts.

**Note 7: Risks and Uncertainties**

The Organization's operations may be affected by the ongoing outbreak of COVID-19, which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may negatively impact the Organization's financial position, operations, and cash flows. Possible effects may include, but are not limited to, the cancelation or postponement of regularly scheduled events, and the inability of donors to make contributions.