

Captain Erick Foster
Memorial Ride
D/B/A Team Foster

Financial Statements
Years Ended December 31, 2021 and 2020



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**CAPTAIN ERICK FOSTER MEMORIAL RIDE
D/B/A TEAM FOSTER**

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INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Captain Erick Foster Memorial Ride
d/b/a Team Foster
Philadelphia, Pennsylvania**

Opinion

We have audited the accompanying financial statements of Captain Erick Foster Memorial Ride d/b/a Team Foster (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Captain Erick Foster Memorial Ride d/b/a Team Foster as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 Captain Erick Foster Memorial Ride d/b/a Team Foster and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, 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 Captain Erick Foster Memorial Ride d/b/a Team Foster's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Captain Erick Foster Memorial Ride d/b/a Team Foster'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 Captain Erick Foster Memorial Ride d/b/a Team Foster'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.

BBD, LLP

Philadelphia, Pennsylvania
March 2, 2023

**CAPTAIN ERICK FOSTER MEMORIAL RIDE
D/B/A TEAM FOSTER**

STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 300,191	\$ 308,322
Website development and equipment, net	<u>18,978</u>	<u>4,444</u>
Total assets	<u>\$ 319,169</u>	<u>\$ 312,766</u>
 LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 17,788</u>	<u>\$ 3,542</u>
 NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>301,381</u>	<u>309,224</u>
 Total liabilities and net assets	<u>\$ 319,169</u>	<u>\$ 312,766</u>

See accompanying notes

**CAPTAIN ERICK FOSTER MEMORIAL RIDE
D/B/A TEAM FOSTER**

STATEMENTS OF ACTIVITIES

Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUE AND SUPPORT		
Contributions	\$ 61,845	\$ 34,754
Special events revenue	308,296	166,265
Less: direct benefit to donor costs	<u>(26,901)</u>	<u>(28,475)</u>
Total revenue and support	<u>343,240</u>	<u>172,544</u>
EXPENSES		
Program services	207,551	100,351
Supporting services		
General and administrative	50,101	20,800
Fundraising	<u>93,431</u>	<u>6,631</u>
Total expenses	<u>351,083</u>	<u>127,782</u>
CHANGE IN NET ASSETS	(7,843)	44,762
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	<u>309,224</u>	<u>264,462</u>
End of year	<u>\$ 301,381</u>	<u>\$ 309,224</u>

See accompanying notes

**CAPTAIN ERICK FOSTER MEMORIAL RIDE
D/B/A TEAM FOSTER**

STATEMENTS OF FUNCTIONAL EXPENSES

Years ended December 31, 2021 and 2020

	2021					2020				
	Supporting Services			Direct Benefit to Donor Costs	Total	Supporting Services			Direct Benefit to Donor Costs	Total
	Program Services	General and Administrative	Fundraising			Program Services	General and Administrative	Fundraising		
Advertising	\$ -	\$ -	\$ 14,298	\$ -	\$ 14,298	\$ -	\$ -	\$ 295	\$ 3,559	\$ 3,854
Contributions	150,530	-	-	-	150,530	64,696	-	-	-	64,696
Contracted personnel	57,021	16,291	8,146	-	81,458	35,606	10,173	5,086	-	50,865
Depreciation	-	2,466	-	-	2,466	-	962	-	-	962
Insurance	-	816	-	-	816	49	-	807	-	856
Office expenses	-	13,070	-	-	13,070	-	6,034	-	-	6,034
Professional fees	-	12,565	-	-	12,565	-	-	-	-	-
Special event expenses	-	-	70,987	26,901	97,888	-	-	443	17,076	17,519
Travel	-	3,921	-	-	3,921	-	373	-	-	373
Miscellaneous	-	972	-	-	972	-	3,258	-	7,840	11,098
Total expenses	\$ 207,551	\$ 50,101	\$ 93,431	\$ 26,901	377,984	\$ 100,351	\$ 20,800	\$ 6,631	\$ 28,475	156,257
Less: direct benefit to donor costs					(26,901)					(28,475)
Total expenses as reported on the statements of activities					\$ 351,083					\$ 127,782

See accompanying notes

**CAPTAIN ERICK FOSTER MEMORIAL RIDE
D/B/A TEAM FOSTER**

STATEMENTS OF CASH FLOWS

Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ (7,843)	\$ 44,762
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	2,466	962
Increase (decrease) in		
Accounts payable and accrued expenses	<u>14,246</u>	<u>3,542</u>
Net cash provided by operating activities	<u>8,869</u>	<u>49,266</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of website development and equipment	<u>(17,000)</u>	<u>(5,406)</u>
Net change in cash	(8,131)	43,860
CASH		
Beginning of year	<u>308,322</u>	<u>264,462</u>
End of year	<u>\$ 300,191</u>	<u>\$ 308,322</u>

See accompanying notes

CAPTAIN ERICK FOSTER MEMORIAL RIDE D/B/A TEAM FOSTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

(1) NATURE OF OPERATIONS

Captain Erick Foster Memorial Ride d/b/a Team Foster ("**Team Foster**") is a nonprofit organization established to raise money to partner service dogs with tri-state area veterans suffering from combat-related disabilities including post-traumatic stress disorder (**PTSD**) and traumatic brain injury (**TBI**). Team Foster ensures these dogs are obtained, cared for, and provided special training at no cost to veterans.

(2) SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("**GAAP**"). As a result, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

Team Foster reports information regarding its financial position and activities according to the following classes of net assets:

Without donor restrictions

Net assets that are not subject to donor-imposed restrictions.

With donor restrictions

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of Team Foster and/or passage of time. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Also included in this category are net assets subject to donor-imposed restrictions that require the net assets to be maintained indefinitely while permitting Team Foster to expend the income generated in accordance with the provisions of the contribution.

At December 31, 2021 and 2020, there were no net assets with donor restrictions.

Accounting Estimates

In preparing financial statements in conformity with GAAP, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Website Development and Equipment

Website development and equipment are carried at cost, if purchased, and at fair value at the date of donation if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 5 years.

Special Event Revenue

Special event revenue that is refundable is recognized during the period in which the related event is held. Special event revenue that is not refundable is recognized when received. Accordingly, refundable revenue received for special events that are held subsequent to year end is deferred.

CAPTAIN ERICK FOSTER MEMORIAL RIDE D/B/A TEAM FOSTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Team Foster received approximately 58% and 73% of its total revenue in connection with two special events for the years ended December 31, 2021 and 2020.

Contributions

Contributions received are recorded as net assets without donor restrictions or with donor restrictions depending on the absence or existence and nature of any donor restrictions. Donor-restricted contributions whose restrictions are satisfied in the same period are reported as net assets without donor restrictions.

Unconditional contributions are recognized when the related promise to give is received. Conditional contributions are recognized when the conditions are satisfied.

Functional Allocation of Expenses

The costs of providing the program and supporting services have been summarized on a functional basis in the statements of activities and functional expenses. Expenses directly attributable to a specific functional area are reported as expenses of that functional area. Expenses not directly attributable to a specific functional area are allocated. Significant expenses that are allocated include contracted personnel wages which are allocated based on estimates of time and effort.

Income Tax Status

Team Foster is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to Team Foster's tax-exempt purpose is subject to taxation as unrelated business income. In addition, Team Foster qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1).

GAAP requires entities to evaluate, measure, recognize and disclose any uncertain income tax positions taken on their tax returns. GAAP prescribes a minimum threshold that a tax position is required to meet in order to be recognized in the financial statements. Team Foster believes that it had no uncertain tax positions as defined in GAAP.

Concentrations of Credit Risk

Cash is a financial instrument which potentially subjects Team Foster to a concentration of credit risk. Team Foster maintains its cash at a single financial institution. At times, such deposits may exceed federally insured limits. Team Foster has not experienced any losses on its deposits.

Contributed Services

Team Foster receives contributed services from many volunteers. The value of their contributed services is not reflected in the financial statements since such services do not meet the criteria for recognition under GAAP.

(3) WEBSITE DEVELOPMENT AND EQUIPMENT

Website development and equipment consisted of the following at December 31,:

	<u>2021</u>	<u>2020</u>
Website development	\$17,000	\$ -
Equipment	5,406	5,406
Less: accumulated depreciation	<u>(3,428)</u>	<u>(962)</u>
	<u>\$18,978</u>	<u>\$4,444</u>

CAPTAIN ERICK FOSTER MEMORIAL RIDE D/B/A TEAM FOSTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

(4) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects Team Foster's financial assets as of the statements of financial position date, which are all available for general expenditures within one year.

	<u>2021</u>	<u>2020</u>
Cash	<u>\$300,191</u>	<u>\$308,322</u>
Total financial assets available within one year	<u>\$300,191</u>	<u>\$308,322</u>

(5) SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 2, 2023, the date on which the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2021 that require recognition or disclosure in the financial statements.