

**Colorado Pet Pantry**  
(a nonprofit Colorado corporation)  
Boulder, Colorado

Financial Statements

December 31, 2023 and 2022



# Colorado Pet Pantry

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## **Independent Auditor's Report**

To the Board of Directors  
Colorado Pet Pantry  
Boulder, Colorado

### **Opinion**

I have audited the accompanying financial statements of Colorado Pet Pantry (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 my opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Colorado Pet Pantry as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section in my report. I am required to be independent of Colorado Pet Pantry and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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 Colorado Pet Pantry's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Independent Auditor's Report (continued)**

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my 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, including omissions, 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, I:

- 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 Colorado Pet Pantry'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Colorado Pet Pantry's ability to continue as a going concern for a reasonable period of time.

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

*Mountain West Advisors, LLC*  
Certified Public Accountant

Littleton, Colorado  
November 5, 2024

# Colorado Pet Pantry

## Statements of Financial Position

December 31	2023	2022
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 474,906	\$ 449,260
Grants and pledges receivable	5,306	-
Investments	51,668	-
Inventory	419,948	563,298
Prepaid expenses	6,201	1,426
Total current assets	<u>958,029</u>	<u>1,013,984</u>
<b>Property and Equipment</b>		
Vehicles	106,999	35,993
Less accumulated depreciation	(20,808)	(12,398)
Net property and equipment	<u>86,191</u>	<u>23,595</u>
Total assets	<u>\$ 1,044,220</u>	<u>\$ 1,037,579</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accrued liabilities	\$ 2,691	\$ 2,458
Accrued personnel expenses	37,017	20,427
Total current liabilities	<u>39,708</u>	<u>22,885</u>
Total liabilities	<u>39,708</u>	<u>22,885</u>
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	848,770	858,952
Board-designated	155,000	155,000
Total without donor restrictions	<u>1,003,770</u>	<u>1,013,952</u>
With donor restrictions	742	742
Total net assets	<u>1,004,512</u>	<u>1,014,694</u>
Total liabilities and net assets	<u>\$ 1,044,220</u>	<u>\$ 1,037,579</u>

The accompanying Notes are an integral part of these financial statements

# Colorado Pet Pantry

## Statement of Activities

Year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Support and Revenue</b>			
<b>Operating Support</b>			
In-kind donations - food	\$ 2,980,468	\$ -	\$ 2,980,468
Grants and contributions	924,613	-	924,613
Special events donations	65,837	-	65,837
Special events income - in-kind auction items	29,953	-	29,953
Special events income - in-kind services	9,100	-	9,100
Special events income - in-kind facility rental	5,000	-	5,000
Special event - in-kind expenses	(44,053)	-	(44,053)
Total operating support	<u>3,970,918</u>	<u>-</u>	<u>3,970,918</u>
<b>Operating Revenue</b>			
Special events revenue	29,950	-	29,950
Special events expense	(28,673)	-	(28,673)
Total operating revenue	<u>1,277</u>	<u>-</u>	<u>1,277</u>
Total operating support and revenue	<u>3,972,195</u>	<u>-</u>	<u>3,972,195</u>
<b>Operating Expenses</b>			
Program services	3,675,664	-	3,675,664
Supporting services			
General and administrative	146,099	-	146,099
Fundraising	172,558	-	172,558
Total supporting services	<u>318,657</u>	<u>-</u>	<u>318,657</u>
Total operating expenses	<u>3,994,321</u>	<u>-</u>	<u>3,994,321</u>
Total operating support and revenue in deficit of operating expenses	<u>(22,126)</u>	<u>-</u>	<u>(22,126)</u>
<b>Other Changes</b>			
Gain on the disposal of assets	5,673	-	5,673
Interest income	3,765	-	3,765
Other income	2,506	-	2,506
Total other changes	<u>11,944</u>	<u>-</u>	<u>11,944</u>
<b>Change in Net Assets</b>	<u>(10,182)</u>	<u>-</u>	<u>(10,182)</u>
<b>Net Assets, Beginning of Year</b>	<u>1,013,952</u>	<u>742</u>	<u>1,014,694</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,003,770</u>	<u>\$ 742</u>	<u>\$ 1,004,512</u>

The accompanying Notes are an integral  
part of these financial statements

# Colorado Pet Pantry

## Statement of Activities

Year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Support and Revenue</b>			
<b>Operating Support</b>			
In-kind donations	\$ 2,426,890	\$ -	\$ 2,426,890
Grants and contributions	596,457	-	596,457
Special events income	81,987	-	81,987
Special events income - in-kind auction items	36,068	-	36,068
Special events expense	(25,980)	-	(25,980)
Special events expenses - in-kind auction items	(36,068)	-	(36,068)
Total operating support	<u>3,079,354</u>	<u>-</u>	<u>3,115,422</u>
<b>Operating Expenses</b>			
Program services	2,750,557	-	2,750,557
Supporting services			
General and administrative	133,607	-	133,607
Fundraising	152,160	-	152,160
Total supporting services	<u>285,767</u>	<u>-</u>	<u>285,767</u>
Total operating expenses	<u>3,036,324</u>	<u>-</u>	<u>3,036,324</u>
Total operating support in excess of operating expenses	<u>43,030</u>	<u>-</u>	<u>43,030</u>
<b>Other Changes</b>			
Interest income	1,554	-	1,554
<b>Change in Net Assets</b>	44,584	-	44,584
<b>Net Assets, Beginning of Year</b>	<u>969,368</u>	<u>742</u>	<u>970,110</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,013,952</u>	<u>\$ 742</u>	<u>\$ 1,014,694</u>

The accompanying Notes are an integral  
part of these financial statements

# Colorado Pet Pantry

## Statement of Functional Expenses

Year ended December 31, 2023

	Program Services	Supporting Services			Total Expenses
		General and Administrative	Fundraising	Total	
Salaries and wages	\$ 378,361	\$ 40,512	\$ 118,320	\$ 158,832	\$ 537,193
Payroll taxes	36,772	3,614	10,765	14,379	51,151
Total personnel costs	415,133	44,126	129,085	173,211	588,344
Pet food expenses	3,075,764	-	-	-	3,075,764
Occupancy	81,030	5,909	-	5,909	86,939
Program expenses	42,175	-	-	-	42,175
Vehicle expenses	16,637	10,728	-	10,728	27,365
Advertising	7,686	14,932	416	15,348	23,034
Accounting fees	-	22,890	-	22,890	22,890
Fundraising expenses	-	-	18,630	18,630	18,630
Insurance	-	16,758	850	17,608	17,608
Information technology	5,789	8,158	2,088	10,246	16,035
Bank and service charges	1,132	-	13,189	13,189	14,321
Travel	3,372	10,275	26	10,301	13,673
Depreciation	11,575	-	-	-	11,575
Volunteer expenses	7,431	3,228	887	4,115	11,546
Contract labor	1,950	-	5,000	5,000	6,950
Legal and other professional fees	-	3,035	1,000	4,035	4,035
Inventory shrinkage	4,000	-	-	-	4,000
Printing and postage	1,196	2,114	569	2,683	3,879
Office expenses	156	2,195	-	2,195	2,351
Dues and fees	-	871	818	1,689	1,689
Conferences and meetings	638	492	-	492	1,130
Professional development	-	388	-	388	388
Total expenses	\$ 3,675,664	\$ 146,099	\$ 172,558	\$ 318,657	\$ 3,994,321

The accompanying Notes are an integral part of these financial statements



# Colorado Pet Pantry

## Statement of Functional Expenses

Year ended December 31, 2022

	Program Services	Supporting Services			Total Expenses
		General and Administrative	Fundraising	Total	
Salaries and wages	\$ 301,070	\$ 21,307	\$ 54,516	\$ 75,823	\$ 376,893
Payroll taxes	19,853	2,752	9,173	11,925	31,778
Total personnel costs	320,923	24,059	63,689	87,748	408,671
Pet food expenses	2,268,367	-	33,668	33,668	2,302,035
Occupancy	74,436	-	-	-	74,436
Contract labor	1,224	37,366	11,250	48,616	49,840
Program expenses	37,127	-	-	-	37,127
Advertising	3,477	4,093	15,722	19,815	23,292
Legal	2,500	16,573	-	16,573	19,073
Insurance	5,672	12,408	-	12,408	18,080
Information technology	3,798	6,575	6,191	12,766	16,564
Accounting fees	-	13,615	-	13,615	13,615
Travel	6,794	6,296	-	6,296	13,090
Vehicle expenses	12,273	-	-	-	12,273
Fundraising expenses	-	-	12,103	12,103	12,103
Bank and service charges	1,423	123	8,472	8,595	10,018
Repairs and maintenance	8,969	-	-	-	8,969
Depreciation	333	6,165	-	6,165	6,498
Printing and postage	1,068	1,783	235	2,018	3,086
Volunteer expenses	830	157	-	157	987
Office expenses	1,261	930	121	1,051	2,312
Conferences and meetings	-	2,113	-	2,113	2,113
Dues and fees	-	830	709	1,539	1,539
Professional development	-	362	-	362	362
Miscellaneous expenses	82	159	-	159	241
Total expenses	\$ 2,750,557	\$ 133,607	\$ 152,160	\$ 285,767	\$ 3,036,324

The accompanying Notes are an integral part of these financial statements

# Colorado Pet Pantry

## Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2023	2022
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (10,182)	\$ 44,584
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	11,575	6,498
Gain on sale of assets	(5,673)	-
Decrease from changes in assets and liabilities		
Pledge receivable	(5,306)	-
Inventory	143,350	(124,855)
Prepaid expenses	(4,775)	(247)
Accounts payable	233	(3,323)
Accrued liabilities	16,590	(3,704)
Net cash provided (used) by operating activities	<u>145,812</u>	<u>(81,047)</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of property and equipment	(80,499)	(10,499)
Proceeds from the sale of property and equipment	12,001	-
Purchases of investments	(51,668)	-
Net cash used by investing activities	<u>(120,166)</u>	<u>(10,499)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>25,646</b>	<b>(91,546)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>449,260</u>	<u>540,806</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 474,906</u>	<u>\$ 449,260</u>

The accompanying Notes are an integral  
part of these financial statements

# Colorado Pet Pantry

## Notes to Financial Statements

December 31, 2023 and 2022

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### Note 1 – Nature of Organization and Significant Accounting Policies

*Nature of Organization*. Colorado Pet Pantry ("the Organization") is a Colorado nonprofit corporation that will temporarily feed Colorado pets, allowing families to increase their ability to care for pets with the goal of keeping them out of shelters and with their families. The Organization's primary sources of funding are provided by local government agencies and private sector support.

*Basis of Accounting*. The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

*Use of Estimates*. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Cash and Cash Equivalents*. The Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

*Grants and Pledges Receivable*. Grants and pledges receivable are recognized only when the conditions on which they depend are substantially met and the grants become unconditional. Grants and pledges receivable are stated net of allowances for uncollectible accounts. Management provides for probable uncollectible accounts through a provision for bad debt expenses and an adjustment to the allowance account based on its assessment of the current status of individual amounts. Balances still outstanding after management has used reasonable collection efforts are written off through a reduction to the allowance account and a corresponding reduction to grants receivable. Management believes that all grants receivable are fully collectible at December 31, 2023 and 2022. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

*Investments*. The Organization's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization's management determines the valuation policies utilizing information provided by the investment advisors and custodians. See *Fair Value Measurements*.

Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

*Fair Value Measurements*. The Organization reports using fair value measurements, which requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

# Colorado Pet Pantry

## Notes to Financial Statements

December 31, 2023 and 2022

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### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

#### *Fair Value Measurements* (continued).

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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 measurements. 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 methodology used for assets measured at fair value on a recurring basis:

*Certificate of Deposit.* The Organization values certificates of deposit at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. Early withdrawal charges may apply in the event the instruments are liquidated prior to their scheduled maturity date.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statement of financial position.

# Colorado Pet Pantry

## Notes to Financial Statements

December 31, 2023 and 2022

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### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

*Food inventory.* Purchased food inventory is comprised of purchased pet food, and is stated at lower of cost or market value. Cost is determined on a first-in, first-out basis. Donated food inventory is comprised of pet food and is recorded as inventory and contribution support at its estimated fair value at the date of donation, taking into consideration spoilage and utility for use. See *Donated Food Inventory*.

*Property and Equipment.* It is the Organization's policy to capitalize property and equipment at cost for purchases over \$1,000, while repair and maintenance items are charged to expense. Donations of property and equipment are capitalized at their estimated fair value at the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. In general, asset lives are five years for vehicles. Depreciation expense for the years ended December 31, 2023 and 2022 were \$11,575 and \$6,498, respectively.

*Impairment of Long-Lived Assets.* In the event that facts and circumstances indicate that property and equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended December 31, 2023 and 2022.

*Basis of Net Asset Presentation.* The Organization reports information regarding its financial position and activities according to two classes of net assets, net assets without donor restrictions and net assets with donor restrictions:

*Net Assets Without Donor Restrictions.* Net assets resulting from revenues generated, receiving contributions, providing services, and receiving interest and other income, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

*Net Assets With Donor Restrictions.* Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated net assets, until the donor restriction expires, that is, until the stipulated time restriction ends or the purpose restriction is accomplished.

*Donated Food Inventory.* All donated inventory is recorded at fair value and is received from private businesses, organizations, and individuals. Donated inventory is considered to be unrestricted support unless the inventory explicitly contains donor restrictions. The Organization only records the value of donated inventory in which it is either the original recipient of the gift, is involved in partnership with another organization for distribution, or if the inventory is used in the Organization's programs.

# Colorado Pet Pantry

## Notes to Financial Statements

December 31, 2023 and 2022

### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

#### *Donated Food Inventory* (continued).

The following average per pound and per item values that were used to value the following inventory donations received and inventory distributions made during the year ended December 31:

	<u>2023</u>	<u>2022</u>	
Opened pet food	\$ 1.00	\$ 1.00	Per pound
Sealed pet food	\$ 2.00	\$ 2.00	Per pound
Premium pet food	\$ 3.00	\$ 3.00	Per pound

*Contributed Items and Services.* Contributed items and the use of facilities are recorded at fair market value at the time of donation. Services are recognized if the services received satisfy the criteria for recognition. Contributed services are recognized if the services either (a) create or enhance a nonfinancial asset or (b) require specialized skills that are provided by persons possessing those skills and would typically need to be purchased if not provided by donation.

The Organization recorded the following in-kind activity during the year ended December 31:

	<u>2023</u>	<u>2022</u>	<u>Usage</u>
Pet food and supplies	\$ 3,075,764	\$ 2,426,890	Programs
Food and beverage/auction items	29,953	36,068	Special events
Services	9,100	-	Special events
Facility rental	5,000	-	Special events
	<u>\$ 3,119,817</u>	<u>\$ 2,462,958</u>	

Pet food and supplies and food and beverage and auction items in-kind contributions were valued using estimated average US prices of identical or similar products using pricing data of similar products under a 'like-kind' methodology, considering the utility of the goods at the time of the contribution. In-kind services were valued using estimated average hourly wage for identical services using pricing data of similar services under a 'like-kind' methodology, considering the utility of the services at the time of the contribution. In-kind contributed facilities were valued using like-kind methodology for similar size facility. No in-kind contributions were restricted. The Organization does not sell donated gifts in kind of pet food and supplies and donated auction items are auctioned off to the highest bidder.

*Grants and Contributions.* Grants and contributions are recognized when the amounts are received. Donor-restricted grants and contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Grants and contributions that are restricted by the grantor or donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the amounts are recognized.

*Functional Allocation of Expenses.* Direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of volunteer time and space utilized for the related activities.

# Colorado Pet Pantry

## Notes to Financial Statements

December 31, 2023 and 2022

### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

*Income Taxes.* The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

*Reclassifications.* Certain amounts from the prior year financial statements have been reclassified to conform to the current year presentation without affecting net assets as of December 31, 2022.

*Subsequent Events.* The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through November 5, 2024, the date at which the financial statements were available for release.

### Note 2 – Fair Value Measurements

The following table summarizes the Organization's fair value of assets measured on a recurring basis by fair value ("FV") hierarchy as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificate of deposit	<u>\$ -</u>	<u>\$ 51,668</u>	<u>\$ -</u>	<u>\$ 51,668</u>

*Changes in Fair Value Levels.* The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2023, there were no significant transfers in or out of fair value levels.

### Note 3 – Net Assets With Donor Restrictions

The following summarizes the changes in net assets temporarily restricted for the year ended December 31, 2023:

	<u>January 1, 2023 Balance</u>	<u>Additions</u>	<u>Releases</u>	<u>December 31, 2023 Balance</u>
<i>Purpose Restrictions:</i> Meg Hittinger	<u>\$ 742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 742</u>

# Colorado Pet Pantry

## Notes to Financial Statements

December 31, 2023 and 2022

### Note 3 – Net Assets With Donor Restrictions (continued)

The following summarizes the changes in net assets temporarily restricted for the year ended December 31, 2022:

	January 1, 2022 Balance	Additions	Releases	December 31, 2022 Balance
<i>Purpose Restrictions:</i>				
Meg Hittinger	\$ 742	\$ -	\$ -	\$ 742

### Note 4 – Special Events

The Organization derived net support from the following special fundraising events during the year ended December 31, 2023:

	Wooftop Event	Spring Auction	Total
Contributions	\$ 40,516	\$ 25,321	\$ 65,837
Revenue	29,950	-	29,950
In-kind donations	44,053	-	44,053
Direct costs	(19,661)	(9,012)	(28,673)
In-kind expenses	(44,053)	-	(44,053)
Net support	<u>\$ 50,805</u>	<u>\$ 16,309</u>	<u>\$ 67,114</u>

The Organization derived net support from the following special fundraising events during the year ended December 31, 2022:

	Wooftop Event	Spring Auction	Total
Contributions	\$ 64,854	\$ 17,133	\$ 81,987
In-kind donations	36,068	-	36,068
Direct costs	(19,111)	(2,638)	(21,749)
In-kind expenses	36,068	-	36,068
Net support	<u>\$ 117,879</u>	<u>\$ 14,495</u>	<u>\$ 132,374</u>

### Note 5 – Leases

The Organization rents warehouse space, office space, and several storage spaces throughout Colorado on a month-to-month or short term basis (a year or less) for \$7,326 and \$7,069 per month at December 31, 2023 and 2022, respectively. Rent expense under the above leases totaled \$86,939 and \$74,436 for the years ended December 31, 2023 and 2022, respectively.



# Colorado Pet Pantry

## Notes to Financial Statements

December 31, 2023 and 2022

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### Note 6 – Liquidity and Availability of Resources

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization does not have a formal liquidity policy. The Organization invests its financial assets in a manner consistent with the concept of prudent money management, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. During the years ended December 31, 2023 and 2022, the level of liquidity and reserves was managed within the policy requirements.

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

Financial assets at year-end:	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 474,906	\$ 449,260
Grants and pledges receivable	5,306	-
Investments	<u>51,668</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 531,880</u>	<u>\$ 449,260</u>

### Note 7 – Concentration of Credit Risk

*Bank Deposits.* The Organization routinely maintains cash balances in excess of federally insured limits.

*Donor Concentration.* Approximately 34% of the Organization's total support and revenue was received from two in-kind donors during the year ended December 31, 2023.