

**THE FELINE FIX**  
**FINANCIAL STATEMENTS**  
\* \* \* \* \*

December 31, 2023

# THE FELINE FIX

## CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Statements of Financial Position	3
Statements of Activity and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-9

# **GRAFTED VINE CPA, LLC**

Member AICPA

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
THE FELINE FIX  
Denver, Colorado

### **Opinion**

We have audited the accompanying financial statements of The Feline Fix (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activity and changes in net assets, functional expenses and cash flows for the year 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 The Feline Fix as of December 31, 2023 and the changes in its net assets and cash flows for the year then ended in conformity 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. 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 The Feline Fix 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.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 The Feline Fix '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, 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, 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 The Feline Fix '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 The Feline Fix '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.

*Grafted Vine CPA, LLC*

Woodland Park, CO  
September 30, 2024

**THE FELINE FIX**  
Statements of Financial Position  
December 31, 2023  
(With Comparative Totals for 2022)

	December 31,	
	2023	2022
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 129,846	\$ 194,062
Accounts receivable	12,919	25,089
Prepaid expenses and other	2,794	5,902
	145,559	225,053
Investments	4,955	-
Property and equipment		
Leasehold improvements	281,302	281,302
Equipment, furnishings, & other	27,526	27,526
	308,828	308,828
Less: Accumulated depreciation	(308,828)	(308,828)
	-	-
Other assets		
Note Receivable, net of discount of \$475,609	24,391	-
	\$ 174,905	\$ 225,053
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 10,746	\$ 12,598
Accrued payroll expenses	7,620	2,729
	18,366	15,327
Net assets		
Without restrictions	156,539	209,726
With restrictions	-	-
	\$ 174,905	\$ 225,053

The accompanying notes are an integral part of these statements.

**THE FELINE FIX**  
**Statements of Activity and Changes in Net Assets**  
**For the Year Ended December 31, 2023**  
**(With Comparative Totals for 2022)**

<b>Change in net assets without restrictions:</b>	2023	2022
<b>SUPPORT AND REVENUE</b>		
Direct and indirect contributions	\$ 218,907	\$ 199,152
Private sector grants	-	14,000
Bequests	10,037	24,501
Events, net of direct costs of \$54,125	46,449	34,088
Adoption and clinic fee income	178,714	149,814
In-kind donated services	1,750	7,450
Other noncash gifts	24,391	-
Interest & other income	3,110	565
Total support & revenue	483,358	429,570
Net assets released from restriction	31,096	20,648
Total support, revenue and reclassifications	514,454	450,218
 Functional expenses		
Program Services	401,684	427,968
Supporting Services:		
General & administrative	52,947	26,757
Financial development	113,011	29,955
Total expenses	567,641	484,680
Change in net assets without restrictions	(53,187)	(34,462)
 Change in net assets with donor restrictions:		
Contributions & grants	31,096	20,648
Net assets released from restrictions	(31,096)	(20,648)
Change in net assets with donor restrictions:	-	-
 Change in net assets, all categories	(53,187)	(34,462)
 <b>Net assets, beginning of year</b>	209,726	244,188
 <b>Net assets, end of year</b>	\$ 156,539	\$ 209,726

The accompanying notes are an integral part of these statements.

**THE FELINE FIX**  
Statement of Functional Expenses  
For the Year End December 31, 2023  
(With Comparative Totals for 2022)

				Total Expenses	
	Program Services	General & Administrative	Financial Development	2023	2022
Personnel expenses	\$ 248,549	\$ 32,050	\$ 87,963	\$ 368,563	\$ 222,539
Program supplies & equipment	83,345			83,345	57,917
Contract & professional services	20,953	12,225	4,603	37,781	65,357
Occupancy costs	31,794	3,654	1,096	36,544	48,202
Technology expenses	5,017	1,927	5,276	12,220	5,250
Printing & postage	244	140	9,262	9,646	7,739
Bank & merchant fees	4,546	239	1,405	6,189	5,468
Office supplies & expenses	2,854	669	760	4,284	1,581
Insurance expense	2,528	1,193	246	3,967	3,296
Dues, licenses, & other	1,724	848	-	2,572	1,179
Advertising & promotion	130	-	2,400	2,530	5,188
Depreciation & amortization	-	-	-	-	60,964
Total expenses	<u>\$ 401,684</u>	<u>\$ 52,947</u>	<u>\$ 113,011</u>	<u>\$ 567,641</u>	<u>\$ 484,680</u>
	71%	9%	20%	100%	

The accompanying notes are an integral part of these statements.

**THE FELINE FIX**  
Statements of Cash Flows  
For Years Ended December 31, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (53,187)	\$ (34,462)
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation & amortization	-	60,964
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	12,170	75,965
Decrease in prepaid expenses	3,108	(2,768)
(Increase) in notes receivable	(24,391)	-
(Decrease) increase in accounts payable	(1,852)	8,220
(Decrease) in accrued payroll costs	4,891	(3,591)
Net cash flow from operating activities	(59,261)	104,328
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Investment (additions) sales, net	(4,955)	-
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(64,216)	104,328
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	194,062	89,734
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 129,846	\$ 194,062
<b>Supplemental disclosure of cash flow info:</b>		
Interest income - cash basis	\$ 42	\$ 25

The accompanying notes are an integral part of these statements.



## THE FELINE FIX

Notes to the Financial Statements  
For the Year Ended December, 31, 2023  
(With Comparative Totals for 2022)

Note 1: Organization Background and Summary of Significant Accounting Policies

a. Organization background

The Feline Fix (the "Organization"), based in Commerce City, Colorado, was established in 2003 as a non-profit corporation under the laws of the State of Colorado. Their mission is to promote the health and welfare of underserved cats through spay/neuter, limited veterinary services, trap-neuter-return (TNR), community outreach, collaboration and education. Since its inception, the Organization has spayed or neutered over 50,000 cats.

The Organization is funded primarily by contributions, grants, special fundraising events and adoption and clinic fees.

b. Financial Statement Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (USGAAP). The Organization follows the provisions of FASB ASC 958 "Financial Statements of Not-for-Profit Organizations". Under this guidance, the Organization is required to report information regarding its financial position and activities according to two classes of net assets, as follows:

Without restrictions - Resources not subject to donor-imposed restrictions.

With restrictions - Resources subject to donor-imposed restrictions that will be satisfied either by the actions of the Organization or the passage of time. There were none at either December 31, 2023 or 2022.

c. Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers all demand and time deposits with maturities of three months or less to be cash equivalents as long as they are not legally restricted as to withdrawal.

d. Accounts receivable

Receivables are either not significant or due from known sources. As such, the Organization has elected to use the direct write-off method for any receivables deemed to be uncollectible, which are infrequent. Therefore, an allowance for bad debts is not recorded herein.

e. Property and equipment

The Organization's significant investment in leasehold improvements was necessary in early 2018 in order to have a state-of-the-art licensed spay/neuter clinic and administrative offices. Expenditures for these improvements, in addition to those for furniture, computers and medical equipment in excess of \$5,000, are capitalized at their historical cost and depreciated using the straight-line method and expected lives of 5 years. Items are now fully depreciated, but still in use. Depreciation expense for 2022 amounted to \$60,964 and no depreciation for 2023.

f. Accrued compensated absences

As required by USGAAP, the Organization accrues compensated absences such as vacation when earned. The liability of \$1,819 at December 31, 2023 is included, herein, as a significant component of "accrued payroll expenses."

(Continued)

## THE FELINE FIX

Notes to the Financial Statements  
For the Year Ended December 31, 2023  
(With Comparative Totals for 2022)

Note 1: Summary of Significant Accounting Policies (Continued)

g. Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted either for future periods or for specific purposes by the donor are reported as temporarily restricted support that increases that net asset class. When a temporary restriction expires, net assets "with donor restrictions" are reclassified to net assets "without restrictions" and reported in the statement of activities as net assets released from restrictions. If a donor-imposed restriction is satisfied in the same accounting period that the revenue is received, the Organization reports the revenue as "without restrictions."

Program service fees are primarily from medical procedures, clinical care, and adoption out and are recorded as revenue at the point in time when earned by the performance of underlying contractual obligations. Revenue is reported at the amount of consideration the Organization expects to receive in exchange for providing the contracted services. Funds received in advance of being earned are recorded as deferred revenue, a liability.

h. Donated assets, supplies, services and use of space

The Organization records all services which are significant, require technical expertise and would have been purchased if not received via donation. Similarly, donated materials are recorded at fair value if they are significant and otherwise would have been purchased. During 2023, \$1,750 of donated consulting met these criteria and is recorded herein under "contract & professional services".

i. Estimates

The preparation of financial statements in conformity with USGAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

j. Functional Expenses

Expenses which directly benefit a specific functional area are charged to such area. When an expense benefits more than one area, it is allocated based on management's estimate of the pro-rata staff time expended.

k. Comparative financial information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class, which does not constitute a presentation in conformity with USGAAP. Accordingly, such information should be read in conjunction with our audited financial statements for the year ended December 31, 2023, from which the summarized information was derived.

l. Concentrations of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash equivalents. The Organization has placed its temporary cash investments with a large and well capitalized national bank institution and attempts to limit its amount of credit exposure to any one financial institution. Management does not believe any significant risks exist due to the concentrations of credit risk at December 31, 2023.

m. Subsequent Events

Management has evaluated subsequent events through September 30, 2024, the date that the independent auditor's report on these financial statements was available to be issued. No reportable items were noted.

(Continued)

**THE FELINE FIX**

Notes to the Financial Statements  
For the Year Ended December, 31, 2023  
(With Comparative Totals for 2022)

Note 1: Summary of Significant Accounting Policies (Continued)

n. Tax Status

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has no items of unrelated business income and believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status.

Note 2: Commitments

The Organization's original five-year lease for its clinic in Commerce City, Colorado had reached maturity and it was replaced by the same landlord with a one-year lease agreement. The lease extension expires on June 30, 2024 and the future minimum lease payments required under the agreement are as follows:

	Amount
Year-ended December 31, 2024	12,000
	12,000
Less: current portion	(12,000)
Long-term portion	\$ -

Rental expense pursuant to both leases of \$25,441 and \$40,398 during 2023 and 2022, respectively, is recorded herein under "occupancy costs".

Note 3: During 2023, the organization received a gift of a note receivable from a pooled investment group of \$500,000. The terms of the note state it is payable proportionately upon the death of the individual members of the investment pool. The note is discounted based on the life expectancy of the youngest member of the pool at a 6% discount rate. No cash was received in the current year, however, \$24,391 of non-cash income was recorded as a result of the gift.

Note 4: Liquidity and Availability of Financial Resources

The Organization's cash flow is monitored on a monthly basis by management and the Board of Directors. Financial assets available for general operating expenditure within one year of the balance sheet date consist of the following, as illustrated on the Statement of Financial Position, herein:

Cash and cash equivalents	\$ 129,846
Contributions receivable	12,919
Prepaid expenses	2,794
Restricted funds	-
Funds needed for current liabilities	(18,366)
	\$ 127,193

Note 5: Net assets with Donor Restrictions

The Organization had no net assets with donor imposed restrictions at December 31, 2023 as \$31,096 of restricted contributions and foundation grants with restrictions received in 2023 were also expended by end of year. The Organization's activity in the donor restricted net asset class during 2023 was as follows:

<u>Donor/purpose</u>	<u>Balance Dec. 31, 2022</u>	<u>Restricted Grants Received</u>	<u>Expenditures Satisfying Restrictions</u>	<u>Balance Dec. 31, 2023</u>
Private sector grants				
-Purpose restricted	\$ -	\$ 31,096	\$ 31,096	\$ -