

COLORADO PET OVERPOPULATION AUTHORITY

**BASIC FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2022 AND 2021

TABLE OF CONTENTS

	<u>Pages</u>
Independent Auditors' Report	1
Management Discussion and Analysis	2 – 5
Statement of Net Position	6
Statement of Revenues, Expenses and Changes in Fund Net Position	7
Statement of Cash Flows	8
Notes to Financial Statements	9 – 16
Other Supplemental Information: Statement of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual	17

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ROBERT R. FEIS, CPA

Independent Auditors' Report

**Board of Directors
Colorado Pet Overpopulation Authority
Lakewood, Colorado**

Opinion

We have audited the accompanying financial statements of the business-type activities of Colorado Pet Overpopulation Authority (the Authority) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Colorado Pet Overpopulation Authority (the Authority) as of June 30, 2022 and 2021, and the results of its operations 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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Authority 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

The Authority's 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 the Authority's ability to continue as a going concern for 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 GAAS 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 GAAS, 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 Authority'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 Authority '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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

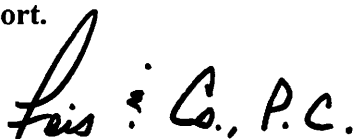
We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Authority's basic financial statements. The comparative fund financial statements and budgetary comparison information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The comparative fund financial statements, and budgetary comparison information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the introductory section, comparative fund financial statements, and statistical are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in black ink that reads "Lois & Co., P.C." with a stylized flourish above the word "Lois".

CERTIFIED PUBLIC ACCOUNTANTS
Brighton, CO

November 29, 2022

COLORADO PET OVERPOPULATION FUND MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (MDA) is designed to provide an overview of the financial activities of the Colorado Pet Overpopulation Fund (CPOF) for the fiscal year ended June 30, 2022. The MDA should be read in conjunction with the Fund's financial statements. This MDA is disclosed per Item 11 of GASB 34.

These financial statements represent a snapshot for the year ending June 30, 2022. CPOF keeps its books on an accrual basis. Statements in this analysis represent an ending cash balance of \$472,700. The majority of these funds will be expended in grants. The Fund's office space, utilities and staff are donated by the Animal Assistance Foundation.

I. FINANCIAL HIGHLIGHTS

- The net position for CPOF as of June 30, 2022 was \$468,948.
- Colorado taxpayer donations for the tax year 2021 were \$159,053 received in fiscal year ended June 30, 2022.
- Adopt a Shelter Pet Colorado License Plate donations for this reporting period were \$604,288.
- The Funds received \$4,945 in donations that were sent directly to the Fund.
- Working capital remains deposited at the State Treasury until drawn upon. As a result, the Fund generated \$4,565 in interest for the year ending June 30, 2022.
- Office space and staffing are donated and are located at 165 S. Union Blvd. Suite 670 Lakewood, CO 80228. The Fund's telephone number is 303-722-6435.

II. PRIOR YEAR COMPARISON

From the Fund's inception until June 30, 2022, funding from the tax checkoff program has subsidized more than 73,000 spay and neuter surgeries at an average cost to the Fund of \$46.00 per surgery.

III. ANALYSIS OF OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

This discussion and analysis serve as an introduction to the Colorado Pet Overpopulation Fund's basic financial statements. The Fund is one of 14 Colorado check-off options listed on the 2021 Colorado State Income Tax Form. While CPOF is like other check-off funds in the way donations are made to the Fund, it is different in that there is no pet fund state agency. Pets do not have a collateral state department or nonprofit agency such as the Division of Wildlife or Special Olympics acting as fiscal agent. Therefore, CPOF, as such, is designated a "political subdivision." CPOF's board of directors is appointed by the Commissioner of the Department of Agriculture, and it is therefore considered a governmental entity.

This is the twenty first year of operations for CPOF. CPOF is notified of prior year Tax Check-off contributions around July of each year. These funds are awarded to grantees in July and are distributed in August.

TAX YEAR	GRANT YEAR	TAX CHECKOFF DONATIONS	AMOUNT DISTRIBUTED	TOTAL DISTRIBUTED
		2001	2002	\$219,000
2002	2003	\$187,807	\$199,870	\$387,751
2003	2004	\$187,298	\$142,211	\$529,962
2004	2005	\$183,398	\$178,528	\$708,490
2005	2006	\$210,863	\$192,389	\$900,879
2006	2007	\$213,438	\$210,130	\$1,111,009
2007	2008	\$225,976	\$223,305	\$1,334,314
2008	2009	\$183,621	\$172,652	\$1,506,966
2009	2010	\$153,587	\$146,637	\$1,653,603
2010	2011	\$154,025	\$130,874	\$1,784,477
2011	2012	\$145,061	\$134,744	\$1,919,221
2012	2013	\$134,627	\$130,874	\$2,050,095
2013	2014	\$141,898	\$140,579	\$2,190,674
2014	2015	\$141,898	\$125,077	\$2,315,751
2015	2016	\$104,300	\$138,600	\$2,453,751
2016	2017	\$180,999	\$107,095	\$2,560,846
2017	2018	\$150,435	\$160,079	\$2,720,925
2018	2019	\$153,820	\$125,145	\$2,846,070
2019	2020	\$113,334	\$129,873	\$2,975,943
2020	2021	\$213,989	\$214,547	\$3,190,490
2021	2022	\$163,968	\$145,000	\$3,335,490

Total Grants distributed of \$3,335,490 achieved over 73,000 spay/neuter surgeries since the Fund's inception in 2001.

In 2011 the Fund accepted responsibility for administering the Adopt a Shelter Pet Colorado License Plate program. Donations are accepted through the purchase or renewal of these plates. The funds are used primarily for grants to local animal shelters, animal rescues, and other service providers helping to limit pet overpopulation in the State.

Year	License Plate Donations	Grants Awarded
2011	\$54,895	\$-0-
2012	\$128,056	\$76,000
2013	\$168,137	\$134,600
2014	\$235,676	\$206,395
2015	\$274,964	\$288,170
2016	\$322,370	\$299,527
2017	\$370,881	\$335,000
2018	\$413,410	\$325,000
2019	\$465,260	\$363,394
2020	\$515,189	\$646,264
2021	\$544,441	\$550,000
2022	\$604,318	\$556,600

The Fund operates under the authority of Section 1, Title 35 of the Colorado Revised Statutes. The Fund exists to educate the public about pet overpopulation, to control random breeding of companion animals through spay/neuter surgery, and to improve the adoptability of animals in shelters and rescues. The Fund is authorized to pay for administrative expenses but, since its inception, the Animal Assistance Foundation has donated administrative services and office space. This donation is ongoing but not guaranteed. In the event the donation ceases the Fund may allocate resources to cover administration expenses.

The CPOF board meets approximately quarterly throughout the year to discuss Fund business. Its primary purpose is to make granting decisions for distribution of these monies. Communities are notified of grant opportunities through a network of animal care providers and in publications of the Animal Welfare Association of Colorado and the Colorado Veterinary Medical Association, to name a few. Also, CPOF's web-site posts information and news items for its stakeholders and the public at www.coloradopetfund.org.

Successful proposals are notified electronically through an online grant management system. Effective for the 2021 grant cycle and beyond, tax checkoff grants are no longer reimbursable. All awards are paid in full upon receipt of a signed grant agreement. Grantees are required to submit a report on grant expenditures at the end of the one-year grant term. Communities where pet resources are limited or nonexistent are the targeted grant recipients. Large front-range metropolitan regions are generally not eligible due to restrictions in the legislation. The License Plate guidelines authorizes animal care and control agencies to use funds, which are paid at the start of the grant period, for spay/neuter, emergency and non-emergency medical care and microchipping expenses. Grantees are required to report grant expenditures at the end of the grant period.

IV. ANALYSIS OF BALANCES AND TRANSACTIONS

Around the beginning of July, CPOF is notified by the State Treasury of the amount donated and available for Tax Check-off grant making. CPOF accepts Tax Check-off grant applications up to its deadline, June 15th. Grant awards for the Tax Check-off are made in August with spending authorized upon receipt. CPOF accepts License Plate grant applications up to its deadline, February 15th. License Plate grant awards are made in April with spending authorized upon receipt.

Condensed financial information for the years ended:

Statement of Net Position

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total assets:				
Cash in Bank				
- Unrestricted	\$ 21,935	\$ 30,405	\$ 53,297	\$ 112,722
- Restricted	450,765	373,053	362,573	447,781
Accounts Receivable	-	-	14,700	-
Other Assets	-	-	-	-
Total assets	<u>\$ 472,700</u>	<u>\$ 403,458</u>	<u>\$ 430,570</u>	<u>\$ 560,503</u>
Total Liabilities:				
Other liabilities	3,750	-	14,021	675
Long-term liabilities	-	-	-	-
Total Fund equity (Retained earnings)	468,950	403,458	416,549	559,828
Total liabilities and fund equity	<u>\$ 472,700</u>	<u>\$ 403,458</u>	<u>\$ 430,570</u>	<u>\$ 560,503</u>

Changes in Net Position

Revenues as of:	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Check-off Revenue	\$ 159,053	\$ 210,736	\$ 108,900	\$ 149,949
Donation Income	4,945	3,253	4,434	5,655
Interest Income	4,565	5,508	10,890	8,857
Miscellaneous Income	-	-	-	29
In Kind Donations	-	-	7,161	8,514
License Plate Income	604,288	544,441	515,189	465,260
Total revenue	772,851	763,938	646,574	638,264
Program expenses:				
Check-Off Colorado	193	206	187	160
General & Administrative Expenses	9,566	12,276	13,529	21,788
Grantee Expense	697,600	764,547	776,137	488,539
Total expenses	707,359	777,029	789,853	510,487
Change in Net Position	65,492	(13,091)	(143,279)	127,777
Total Net Position – End of Year	\$ 468,950	\$ 403,458	\$ 416,549	\$ 559,828

V. VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGET AMOUNTS

CPOF's budgeted income for the Tax Check-off and for License Plate income is unknown when the budget is created.

VI. DESCRIPTION OF SIGNIFICANT CAPITAL ASSETS AND LONG-TERM DEBT

CPOF does not accept debt. The Fund does not borrow currency or take on debt. CPOF does not own computers or office furniture. CPOF is not planning to purchase any significant property or equipment. The purpose of CPOF is to distribute donated funds to animal care and control groups and veterinarians controlling pet overpopulation.

VII. CURRENTLY KNOWN FACTS THAT HAVE A SIGNIFICANT EFFECT ON CPOF'S FINANCIAL POSITION

CPOF relies on public goodwill and donations to check pet overpopulation. The board is optimistic for continued donations from the public, although a change in the structure of the tax check-off could negatively impact donations. No facts suggest contributions will not continue or diminish. The board is committed to continue as long as resources are available for this charitable purpose.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Colorado Pet Overpopulation Fund. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Rachel Gonzales, Treasurer
 Colorado Pet Overpopulation Fund
 165 S Union Blvd, Suite 670
 Lakewood, CO 80228
 303-744-8396

**COLORADO PET OVERPOPULATION AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current Assets:		
 Cash in bank:		
Unrestricted	\$ 21,935	\$ 30,405
Restricted	450,765	373,053
Accounts receivable	-	-
Total Current Assets	<u>472,700</u>	<u>403,458</u>
Other Assets:		
Total Other Assets	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 472,700</u>	<u>\$ 403,458</u>
<u>LIABILITIES AND NET POSITION</u>		
Current Liabilities:		
Accounts Payable	\$ 3,750	\$ -
Total Current Liabilities	<u>3,750</u>	<u>-</u>
Total Liabilities	<u>3,750</u>	<u>-</u>
Net Position		
Without Donor Restriction	<u>468,950</u>	<u>403,458</u>
Total Net Position	<u>468,950</u>	<u>403,458</u>
Total Liabilities and Net Position	<u>\$ 472,700</u>	<u>\$ 403,458</u>

See independent auditors' report.
The accompanying notes on pages 9 to 16 are an
integral part of the financial statements.

**COLORADO PET OVERPOPULATION AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>Year ended June 30, 2022</u>	<u>Year ended June 30, 2021</u>
Revenues:		
Check-off income	\$ 159,053	\$ 210,736
License plate income	604,288	544,441
Donation income	4,945	3,253
Interest income	4,565	5,508
In-Kind donations	-	-
Total Revenues	<u>772,851</u>	<u>763,938</u>
 Expenses:		
Check-off expense	-	-
General & administrative expenses	9,759	12,482
Grantee expense	697,600	764,547
Total Expenses	<u>707,359</u>	<u>777,029</u>
 Changes in Net Position	 65,492	 (13,091)
 Total Net Position - Beginning of Year	 <u>403,458</u>	 <u>416,549</u>
 Total Net Position - End of Year	 <u>\$ 468,950</u>	 <u>\$ 403,458</u>

See independent auditors' report.
The accompanying notes on pages 9 to 16 are an
integral part of the financial statements.

**COLORADO PET OVERPOPULATION AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>Year ended June 30, 2022</u>	<u>Year ended June 30, 2021</u>
Cash Flows from Operating Activities:		
Check off and donation income	\$ 768,286	\$ 758,430
Interest income received	4,565	5,508
Payments to grantees and vendors	<u>(703,609)</u>	<u>(776,350)</u>
Net Cash Provided (Used) by Operating Activities	<u>69,242</u>	<u>(12,412)</u>
Cash Flows from Investing Activities:		
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>-</u>
Cash Flows from Financing Activities:		
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	69,242	(12,412)
Cash, Beginning of Year	<u>403,458</u>	<u>415,870</u>
Cash, End of Year	<u>\$ 472,700</u>	<u>\$ 403,458</u>
Reconciliation of Increase (Decrease) in Net Cash Provided (Used) by Operating Activities to Change in Net Position		
Change in Net Position	<u>\$ 65,492</u>	<u>\$ (13,091)</u>
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
(Increase) decrease in accounts receivable	-	(14,700)
(Increase) decrease in prepaid expenses	-	-
Increase (decrease) in accounts payable	-	-
Increase (decrease) in accrued grants payable	<u>3,750</u>	<u>14,021</u>
Total adjustments	<u>3,750</u>	<u>679</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 69,242</u>	<u>\$ (12,412)</u>

See independent auditors' report.
The accompanying notes on pages 9 to 16 are an
integral part of the financial statements.

COLORADO PET OVERPOPULATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Colorado Pet Overpopulation Authority was created by the State of Colorado Legislature on June 5, 2001. Effective August 8, 2001 Article 80, Pet Overpopulation Authority, was added to Section 1, Title 35, Colorado Revised Statutes. The Authority exists to further the efforts to reduce pet overpopulation and to educate the public about the importance of controlling pet overpopulation. The fund has also identified the priority to work with animal care and control organizations, veterinarians and local communities to curb pet overpopulation in underserved areas of Colorado. The Board consists of eight members, appointed by the Colorado Commissioner of Agriculture.

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), which are applicable to governmental entities.

The following is a summary of significant accounting policies:

A. Principles Determining Scope of Reporting Entity

The financial statements of the Authority consist only of the funds and account groups of the Authority. The Authority has no financial or legal oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Authority. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and election of the respective governing board. Therefore, in accordance with Governmental Accounting Standards Board Statement #14, the Authority is considered a stand-alone entity for financial reporting purposes.

B. Government-Wide and Fund Financial Statements

The Government-Wide financial statements (i.e. the statement of activities) report information on all of the non-fiduciary activities of the government. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. The Government-Wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

See independent auditors' report.

**COLORADO PET OVERPOPULATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Government-Wide and Fund Financial Statements (continued)

Fund Accounting

The accounts of the Authority are organized on the basis of funds and account groups. Each fund and account group is considered an independent fiscal and accounting entity with a self-balancing set of accounts recording assets together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following funds were used by the Authority during the years ended June 30, 2022 and 2021.

Proprietary Fund

Colorado Pet Overpopulation Fund – To account for all of the financial resources associated with the operating of the Authority.

D. Basis of Accounting

The accrual basis of accounting is used for reporting purposes of the Authority. Under the accrual method of accounting, revenues and the related assets are reported when they are earned, regardless of when they are received and expenses and the related liabilities are reported when they are incurred, regardless of when they are paid.

The Authority prepares its budget on a basis consistent with accounting principles generally accepted in the United States of America and Colorado Revised Budgetary Statutes. All annual appropriations are at the total fund level and lapse at fiscal year-end.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid debt instruments purchased with a maturity of six months or less to be cash equivalents.

See independent auditors' report.

COLORADO PET OVERPOPULATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH DEPOSITS and INVESTMENTS

A. Cash Deposits

The Colorado Public Deposit Protection Act (PDPA), requires all units of the local government to deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of year-end the Authority's bank balance was either insured or collateralized with securities held by the pledging financial institution through PDPA.

As of June 30, 2022 and 2021 the Authority had cash balances with maturities less than one year stated at cost as follows:

See independent auditors' report.

**COLORADO PET OVERPOPULATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

2. CASH DEPOSITS and INVESTMENTS (continued)

A. Cash Deposits (continued)

	<u>2022</u>	<u>2021</u>
Insured (Category 1)	\$ 21,935	\$ 30,405
Deposits Collateralized in single institution pool (s)	---	---
Uninsured: Required to be collateralized	---	---
Total cash deposits	21,935	30,405
Cash on hand	---	---
Total Cash	<u>\$ 21,935</u>	<u>\$ 30,405</u>

The bank balance of the deposits listed above is classified in three categories of credit risk as follows: 1) Uncollateralized; 2) Collateralized with securities held by the pledging financial institution; 3) Collateralized with securities held by pledging financial institution's trust department or agent but not in the depositor-government's name.

B. Investments

The Authority's investments are categorized as either (1) insured or registered, or for which the securities are held by the Authority or its agent in the Authority's name, (2) uninsured and unregistered for which the securities are held by the counterpart's trust department or agent in the Authority's name or (3) uninsured and unregistered for which the securities are held by the counterpart or by its trust department or agent but not in the Authority's name. As of June 30, 2022 and 2021 all investments are considered category 1.

Interest Rate Risk – The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. The Colorado revised statute 24-75-601 limits investment maturities to five years or less without governing board approval.

See independent auditors' report.

**COLORADO PET OVERPOPULATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

2. CASH DEPOSITS and INVESTMENTS (continued)

B. Investments (continued)

As of June 30, 2022 and 2021, the Authority had \$450,765 and \$373,053, respectively, invested in Colorado Treasury Pooled funds. The Colorado Treasury holds money for several different funds and pools them for investment purposes. The fair value of the investments in the Treasury is the same as the value of the pooled shares. For the year ended June 30, 2022, average maturity is 62 months, and the combined portfolio ratings are as follows:

	<u>A1/P1</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>BB</u>	<u>B</u>	<u>Other</u>	<u>Portfolio Percent</u>
Asset Backed	---	100%	---	---	---	---	---	---	2.7%
Corporates	---	2.6%	13.3%	46.3%	37.8%	---	---	---	27.1%
Mortgage Sec.	---	---	100%	---	---	---	---	---	10.3%
Comm. Paper	100%	---	---	---	---	---	---	---	15.4%
Treasuries	---	---	100%	---	---	---	---	---	16.6%
Fed. Agencies	---	---	100%	---	---	---	---	---	4.2%
Sov/Snat	---	80.4%	---	5.9%	13.7%	---	---	---	1.1%
Muni GOs	---	17.9%	82.1%	---	---	---	---	---	1.0%
Cert. of Deposit	---	---	---	---	---	---	---	---	---
Money Mkt.	---	---	---	---	---	---	---	100%	21.6%
Total Portfolio	15.4%	4.4%	35.6%	12.6%	10.4%	---	---	21.6%	100%

Maturity year and credit ratings of investments were both varied for the years ended June 30, 2022 and 2021, and the fair values are as follows:

<u>Investments:</u>	<u>2022</u>	<u>2021</u>
Colorado Treasury	\$ <u>450,765</u>	\$ <u>373,053</u>
Total Investments	\$ <u>450,765</u>	\$ <u>373,053</u>

Colorado statutes specify in which instruments the units of local government may invest, which include:

Repurchase Agreements, or obligations of the United States or obligations unconditionally guaranteed by the United States, Federally insured mortgages and student loans.

See independent auditors' report.

**COLORADO PET OVERPOPULATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

2. CASH DEPOSITS and INVESTMENTS (continued)

B. Investments (continued)

Participation with other local governments in pooled investment funds (trusts), these trusts are supervised by participating governments, and must comply with the same restrictions with respect to cash deposits and investments.

C. Reconciliation of Cash, Cash Equivalents, and Investments

Following is a reconciliation between the cash and investments recorded in the financial statements and the amounts reported in this footnote for the years ended June 30, 2022 and 2021:

Financial Statements	<u>2022</u>	<u>2021</u>
Total Cash and Short-term Investments - Governmental Pooled Funds	\$ <u>472,700</u>	\$ <u>403,458</u>
Total Cash Deposits and Investments (Book Balance)	\$ <u>472,700</u>	\$ <u>403,458</u>
Footnote		
Total Cash and Short-Term Investments	\$ <u>472,700</u>	\$ <u>403,458</u>
Total Cash Deposits and Investments (Footnote)	\$ <u>472,700</u>	\$ <u>403,458</u>

3. CHECK-OFF INCOME

The State of Colorado collects funds from Colorado taxpayers that elect to contribute to the Authority through the check off box on their individual income tax returns. The funds are placed in a Department of Treasury operating cash account. This balance was \$185,066 and \$167,127 as of June 30, 2022 and 2021, respectively.

The check-off income earned for the years ended June 30, 2022 and 2021 was \$159,053 and \$210,736, respectively.

See independent auditors' report.

**COLORADO PET OVERPOPULATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

4. LICENSE PLATE

Colorado Pet Overpopulation license plates are available for Colorado drivers to purchase. The funds are placed in a Department of Treasury operating cash account. This balance was \$265,699 and \$205,926 as of June 30, 2022 and 2021, respectively.

The license plate income earned for the years ended June 30, 2022 and 2021 was \$604,288 and \$544,441, respectively.

5. CONTRIBUTED SERVICES

The Animal Assistance Foundation, an unrelated non-profit corporation, provides office space and administrative services at no cost to the Authority.

6. RELATED PARTY

During the year ended June 30, 2022, the Authority granted funds to various related party organizations totaling \$7,000. The related parties consist of Colorado Pet Overpopulation Authority board members that are involved with organizations that receive grant funding from the Authority.

7. TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (TABOR Amendment), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. Based on the Authority's financial activities and structure, it is believed that the Authority is exempt from the provisions and limitations of the "TABOR" amendment at this time.

8. SUPPLEMENTAL BUDGET

For the year ended June 30, 2022, the Authority issued a resolution to award additional grant funds than what was originally budgeted. The total was \$87,630 to account for an increase in grants awarded and other expenses. The increase in grants awarded was funded through the receipt of additional check-off and license plate income.

See independent auditors' report.

**COLORADO PET OVERPOPULATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

9. COVID 19-pandemic

The COVID-19 pandemic developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home). At this stage, the impact on the Authority and results of operations has not been significant. We will continue to follow the various policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

10. SUBSEQUENT EVENTS

In accordance with the provisions of Statement of Financial Accounting Standards Codification 855, Subsequent Events, management must evaluate, through the date the financial statements are issued or are available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and disclose the date through which subsequent events were evaluated. Colorado Pet Overpopulation Authority financial statements were available to be issued on the date of the Independent Auditors' Report, and this is the date through which subsequent events were evaluated. Management did not identify any events that would require disclosure.

See independent auditors' report.

**OTHER SUPPLEMENTAL
INFORMATION**

**COLORADO PET OVERPOPULATION AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budget</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Check-off income	\$ 75,000	\$ 75,000	\$ 159,053	\$ 84,053
License plate income	550,000	550,000	604,288	54,288
Donation income	4,000	4,000	4,945	945
Interest income	6,000	6,000	4,565	(1,435)
Miscellaneous income	-	-	-	-
In-Kind donations	-	-	-	-
Total Revenues	<u>635,000</u>	<u>635,000</u>	<u>772,851</u>	<u>137,851</u>
Expenses:				
General & administrative expenses	11,510	11,540	9,759	1,781
Grantee expense	610,000	697,600	697,600	-
Total Expenses	<u>621,510</u>	<u>709,140</u>	<u>707,359</u>	<u>1,781</u>
Change in Net Position	13,490	(74,140)	65,492	139,632
Total Net Position - Beginning of Year	<u>403,458</u>	<u>403,458</u>	<u>403,458</u>	<u>-</u>
Total Net Position - End of Year	<u>\$ 416,948</u>	<u>\$ 329,318</u>	<u>\$ 468,950</u>	<u>\$ 139,632</u>

See independent auditors' report.
The accompanying notes on pages 9 to 16 are an
integral part of the financial statements.