

MILE HIGH CANINE RESCUE, INC.
FINANCIAL STATEMENTS - MODIFIED CASH BASIS
DECEMBER 31, 2024

TABLE OF CONTENTS

	<u>PAGE</u>
Accountants' Compilation Report	1
Financial statements:	
Statement of assets, liabilities, and net assets - modified cash basis	2
Statement of revenues and expenses - modified cash basis	3
Statement of changes in net assets - modified cash basis	4
Statement of functional expenses - modified cash basis	5
Notes to the financial statements	6 - 9



ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of
Mile High Canine Rescue, Inc.

Management is responsible for the accompanying financial statements of Mile High Canine Rescue, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—modified cash basis as of December 31, 2024, and the related statements of revenues and expenses - modified cash basis, changes in net assets - modified cash basis, and functional expenses - modified cash basis for the year then ended, and the related notes to the financial statements in accordance with the modified cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide assurance on these financial statements.

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

We are not independent with respect to Mile High Canine Rescue, Inc.

Aprio, LLP

Rockville, Maryland

November 18, 2025

MILE HIGH CANINE RESCUE, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2024

ASSETS

	Amount
<u>Current assets:</u>	
Cash	\$ 155,684
Cash equivalents	20,165
Investments	60,422
Total current assets	236,271
<u>Fixed Assets:</u>	
Vehicle	25,579
Accumulated depreciation	(25,579)
Total fixed assets	-
TOTAL ASSETS	\$ 236,271

LIABILITIES AND NET ASSETS

<u>Current liabilities:</u>	
Credit cards payable	\$ <u>5,159</u>
Total current liabilities	5,159
 <u>Net assets:</u>	
Without donor restrictions	231,112
TOTAL LIABILITIES AND NET ASSETS	\$ 236,271

See accompanying notes to the financial statements

MILE HIGH CANINE RESCUE, INC.
STATEMENT OF REVENUES, EXPENSES, - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Amount</u>
<u>Revenues and other support:</u>	
Adoption fees	\$ 279,844
Contributions	125,274
Grants	80,275
Third-party fundraising campaigns	20,059
Other income	2,389
Interest income	<u>587</u>
Total revenues and other support	<u>508,428</u>
<u>Expenses:</u>	
Program	430,273
Supporting activities:	
Fundraising	2,184
Management and General	<u>22,984</u>
Total expenses	<u>455,441</u>
Change in net assets	<u><u>\$ 52,987</u></u>

See accompanying notes to the financial statements

MILE HIGH CANINE RESCUE, INC.
STATEMENT OF CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, December 31, 2023	\$ 178,125	\$ -	\$ 178,125
Changes in net assets	52,987	-	52,987
Net assets, December 31, 2024	\$ 231,112	\$ -	\$ 231,112

See accompanying notes to the financial statements

MILE HIGH CANINE RESCUE, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Program Services</u>			<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
	<u>Community Outreach</u>	<u>Dog Rescue and Adoption Program</u>	<u>Total</u>			
Medical assistance program	\$ 843	\$ -	\$ 843	\$ -	\$ -	\$ 843
Shelter assistance program	14,878	-	14,878	-	-	14,878
Spay and neuter clinics	112,349	-	112,349	-	-	112,349
Vaccine clinics	5,674	-	5,674	-	-	5,674
Boarding and training	-	5,760	5,760	-	-	5,760
Medications and vet supplies	-	18,291	18,291	-	-	18,291
Depreciation	-	5,116	5,116	-	-	5,116
Dog transportation and vehicle expenses	-	1,714	1,714	-	328	2,042
Microchips	-	2,764	2,764	-	-	2,764
Supplies and materials	-	8,653	8,653	-	694	9,347
Veterinary costs	-	246,880	246,880	-	-	246,880
Fundraising	-	-	-	236	-	236
Advertising and marketing	-	-	-	-	3,394	3,394
Bank fees	-	7,351	7,351	1,948	115	9,414
Insurance	-	-	-	-	7,345	7,345
Legal and professional services	-	-	-	-	2,293	2,293
Meals and entertainment	-	-	-	-	132	132
Memberships	-	-	-	-	195	195
Postage and shipping	-	-	-	-	1,342	1,342
Taxes and licenses	-	-	-	-	639	639
Volunteer appreciation	-	-	-	-	6,507	6,507
Total	\$ 133,744	\$ 296,529	\$ 430,273	\$ 2,184	\$ 22,984	\$ 455,441

See accompanying notes to the financial statements

MILE HIGH CANINE RESCUE, INC.

Note 1

Nature of Organization

Organization:

Mile High Canine Rescue, Inc. (the "Organization") was founded and incorporated in November 2019 as a 501(c)(3) nonprofit organization based out of Mead, Colorado, with a mission to reduce the number of abandoned, neglected, and abused dogs in shelters within Colorado, Texas, and New Mexico by providing loving foster homes and medical care, facilitating adoptions, and funding low cost spay and neuter services. The Organization also provides training and behavioral coaching for dogs and their human companions to keep dogs at home and out of shelters. In addition, the Organization provides grants to smaller rescues and shelters in underserved areas as well as vaccines and supplies to underfunded rural shelters. The Organization works to educate adopters, applicants, volunteers and the community on proper dog medical care, effective training methods, overall dog behavior, and the crisis being faced in large shelters today.

Note 2

Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements of the Organization have been prepared on the modified cash basis of accounting. Under this basis, revenues are recognized when received and expenses are recognized when paid. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP), which require revenues to be recognized when earned and expenses when incurred. Modifications to the cash basis include the capitalization of property and equipment and the recognition of related depreciation, as well as the recording of certain liabilities such as credit card payable.

Financial Statement Presentation:

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.
- *Net Assets With Donor Restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor-imposed restrictions may be temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Use of Estimates:

The preparation of the financial statements in conformity with cash basis requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

MILE HIGH CANINE RESCUE, INC.

Note 2

Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents:

The Organization considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits:

The Organization maintains cash balances at two commercial banks, these balances can at times exceed the FDIC insured deposit limit of \$250,000 per financial institution. As of December 31, 2024, the Organization's cash balances did not exceed FDIC limits. The Organization has not experienced any losses in these accounts through the date when the financial statements were available to be issued.

Revenue Recognition:

Exchange Transactions

Adoption fees: Adoption fees are recognized as revenue when received. Under the modified cash basis of accounting, revenues are recorded when cash is received rather than when earned. Revenue is not recognized until payment is received, regardless of when the animal transfers to the adopting home and the adoption is finalized.

Contributions

Contributions, grants, and third-party fundraising: The Organization recognizes contributions, grants and third-party fundraising as revenue when they are received in cash or other financial assets. The Organization records these revenues as with donor restrictions or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. Contributions and grants received with donor restrictions that are met in the year of receipt are recorded as revenues without donor restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of revenues and expenses.

Investments:

Investments are recorded at cost, if purchased, or at fair value on the date of donation, if donated. Investments consist of certificates of deposits with greater than three-month maturities at the time of purchase. The certificates of deposit earn interest income at various rates from 3.20% to 4.16% and are considered to be Level 2 in the fair value hierarchy.

Fair Value Measurements:

The Organization applies FASB ASC 820, *Fair Value Measurements* (ASC 820), which establishes a framework for measuring fair value and expands disclosure requirements about fair value measurements. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

MILE HIGH CANINE RESCUE, INC.

Note 2 **Summary of Significant Accounting Policies (Continued)**

The three general valuation techniques that may be used to measure fair value are described below:

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 market prices for similar assets or liability 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; and
- 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.

Property and Equipment:

Property and equipment is stated at cost and consists of a vehicle utilized to transport dogs. The Organization estimates that the vehicle's useful life is 5 years. The depreciation is calculated using the straight-line method over the estimated lifetime. The Organization capitalizes property and equipment purchases of \$2,500 or more. Expenditures for minor additions of equipment are charged to expense when incurred. Depreciation expense for the year ended December 31, 2024 was \$5,116.

Advertising:

Advertising costs are expensed as incurred and paid. For the year ended December 31, 2024 advertising expense totaled \$3,394.

Functional Expense Allocation:

The cost of providing the various programs and activities has been summarized on a functional basis in the statement of revenues and expenses. Expenses are directly charged to the program services and supporting activities other than those that benefit multiple functions. The financial statements report certain categories of expenses that are attributable to one or more program or supporting activities of the Organization on an allocated basis. Expenses that get allocated include supplies and bank fees which are recorded based on their approximate usage.

Tax Exempt Status:

The Organization is a nonprofit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal income taxes is required. The Organization applies the guidance on accounting for uncertain tax positions in FASB ASC 740 Income Taxes. The Organization is no longer subject to income tax examinations for tax years up to and including 2020.

MILE HIGH CANINE RESCUE, INC.

Note 3

Liquidity and Availability of Resources

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of assets and liabilities date, comprise the following as of December 31, 2024:

Financial assets available for general expenditure within one year:

Cash and cash equivalents	\$ 175,849
Investments	<u>60,422</u>
Total financial assets	236,271
Total financial assets available for general expenditure within one year	<u>\$ 236,271</u>

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments. In addition to financial assets available for general expenditure within one year, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

Note 4

Subsequent Events

Management considered all events through November 18, 2025, the date the financial statements were available for release, in preparing the financial statements and the related disclosures. The Organization is not aware of any significant events that occurred subsequent to December 31, 2024, but prior to the issuance of this report, that would have a material impact on the financial statements.