



ALLEY CAT ALLIES, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

JULY 31, 2017

ALLEY CAT ALLIES, INC.

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Independent Auditors' Report

The Board of Directors
Alley Cat Allies, Inc.
Bethesda, Maryland

We have audited the accompanying financial statements of Alley Cat Allies, Inc. (the Organization), which comprise the statement of financial position as of July 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of July 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



The Board of Directors
Alley Cat Allies, Inc.

Report on Summarized Comparative Information

We have previously audited the Organization's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 1, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Councilor, Buchanan + Mitchell, P.C.

Washington, D.C.
January 11, 2018

Certified Public Accountants

ALLEY CAT ALLIES, INC.

STATEMENT OF FINANCIAL POSITION

JULY 31, 2017

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JULY 31, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Cash and Cash Equivalents	\$ 1,448,103	\$ 948,967
Investments	2,638,129	2,528,463
Contributions Receivable	1,312,641	1,571,413
Other Receivables	-	15,344
Prepaid Expenses	143,577	150,586
Pre-Publication Costs	132,750	18,000
Other Assets	57,296	57,320
Investments Restricted for Charitable Gift Annuities	284,120	252,753
Beneficial Interest in Remainder Trust	192,583	175,319
Security Deposit	44,672	40,472
Property and Equipment, Net	<u>1,021,242</u>	<u>1,171,435</u>
Total Assets	<u>\$ 7,275,113</u>	<u>\$ 6,930,072</u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 749,939	\$ 678,112
Annuities Payable	159,710	167,339
Capital Lease Payable	11,489	16,886
Deferred Rent	<u>124,292</u>	<u>128,642</u>
Total Liabilities	1,045,430	990,979
Net Assets		
Unrestricted	4,733,951	4,168,011
Temporarily Restricted	<u>1,495,732</u>	<u>1,771,082</u>
Total Net Assets	<u>6,229,683</u>	<u>5,939,093</u>
Total Liabilities and Net Assets	<u>\$ 7,275,113</u>	<u>\$ 6,930,072</u>

See accompanying Notes to Financial Statements.

ALLEY CAT ALLIES, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2017
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JULY 31, 2016)

	Unrestricted	Temporarily Restricted	2017 Total	2016 Total
Revenue				
Contributions	\$ 8,168,365	\$ -	\$ 8,168,365	\$ 7,253,070
Legacies and Bequests	1,020,430	800,130	1,820,560	1,850,630
Federated and Nonfederated Campaigns	16,545	91,124	107,669	137,530
Interest and Dividend Income	84,164	-	84,164	81,214
Gain (Loss) on Investments	252,178	-	252,178	(24,899)
Other Income	78,268	-	78,268	43,722
Contributions and Change in Split-Interest Gifts	(14,486)	17,264	2,778	24,345
Net Assets Released from Restrictions	1,183,868	(1,183,868)	-	-
Total Revenue	10,789,332	(275,350)	10,513,982	9,365,612
Expenses				
Program Services				
Advocacy	5,901,931	-	5,901,931	5,414,823
Humane Care and Outreach	2,199,548	-	2,199,548	1,871,270
Law and Policy	808,832	-	808,832	784,202
Shelter Transformation	30,179	-	30,179	48,927
Total Program Services	8,940,490	-	8,940,490	8,119,222
Supporting Services				
Management and General	464,335	-	464,335	542,209
Development	818,567	-	818,567	683,341
Total Supporting Services	1,282,902	-	1,282,902	1,225,550
Total Expenses	10,223,392	-	10,223,392	9,344,772
Change in Net Assets	565,940	(275,350)	290,590	20,840
Net Assets, Beginning of Year	4,168,011	1,771,082	5,939,093	5,918,253
Net Assets, End of Year	\$ 4,733,951	\$ 1,495,732	\$ 6,229,683	\$ 5,939,093

See accompanying Notes to Financial Statements.

ALLEY CAT ALLIES, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2017
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JULY 31, 2016)

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 290,590	\$ 20,840
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	164,234	134,638
(Gain) Loss on Investments	(252,178)	24,899
<u>(Increase) Decrease in Assets</u>		
Contributions Receivable	258,772	(668,919)
Beneficial Interest in Remainder Trust	(17,264)	(37,319)
Other Receivables	15,344	(15,251)
Prepaid Expenses	7,009	(10,494)
Other Assets	24	(75,320)
Security Deposit	(4,200)	(5,000)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	71,827	47,008
Annuities Payable	(7,629)	(9,142)
Deferred Rent	(4,350)	6,268
Net Cash Provided by (Used in) Operating Activities	<u>522,179</u>	<u>(587,792)</u>
Cash Flows from Investing Activities		
Purchases of Investments	(88,855)	(27,162,044)
Proceeds from Sales of Investments	200,000	27,706,498
Purchases of Property and Equipment	(14,041)	(712,910)
Pre-Publication Costs	(114,750)	-
Net Cash Used in Investing Activities	<u>(17,646)</u>	<u>(168,456)</u>
Cash Flows from Financing Activities		
Payments on Capital Lease Payable	(5,397)	(5,180)
Net Cash Used in Financing Activities	<u>(5,397)</u>	<u>(5,180)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	499,136	(761,428)
Cash and Cash Equivalents, Beginning of Year	<u>948,967</u>	<u>1,710,395</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,448,103</u></u>	<u><u>\$ 948,967</u></u>

See accompanying Notes to Financial Statements.

ALLEY CAT ALLIES, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Alley Cat Allies, Inc. (the Organization) was incorporated under the laws of the State of Delaware on October 16, 1991.

Alley Cat Allies, Inc.'s mission is to transform and develop communities to protect and improve the lives of cats. The three largest activities include: Advocacy, Law and Policy, Humane Care and Outreach, and Shelter Transformation.

The Organization is funded primarily by contributions.

The major programs of the Organization are as follows:

Advocacy

The Organization mobilizes grassroots, provides grants, and works directly with key decision makers such as elected officials, government agencies, veterinarians, and corporations to create positive, lifesaving change for cats.

Humane Care and Outreach

The Organization provides direct, hands-on cat and kitten care in Atlantic City, NJ, and many other cities and counties across the country to further mission impact. The Organization also provides funding and resources to nonprofit 501(c)(3) to support Trap-Neuter-Return (TNR), veterinary costs, or other related issues. The Organization provides training, workshops, webinars, conferences, networking, and collaborations.

Law and Policy

The Organization educates and mobilizes grassroots and works with key decision makers and communities on critical lifesaving state and local policy issues such as TNR ordinances. The Organization also provides resources to achieve justice in cat cruelty cases, abolish dangerous laws for cats, and pass humane ordinances with progressive language that protects cats and caregivers.

Shelter Transformation

The Organization's latest research suggests that one cat is killed in the U.S. shelter system every 15 seconds. The Organization is working to transform shelters by publishing and promoting 'blueprints' that serve as handbooks and toolkits; to adopt lifesaving programs and change systems, providing grants and resources, providing onsite webinars and workshops, and working with community leaders on collaboration and ordinance changes.

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when incurred.

ALLEY CAT ALLIES, INC.

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt under Section 501(c)(3) of the Internal Revenue Code (the Code) from the payment of taxes on income other than unrelated business income. No provision for income tax is required for the year ended July 31, 2017, as the Organization had no net unrelated business income. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

The Organization requires that a tax position be recognized or derecognized based on a “more-likely-than-not” threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include, or reflect, any uncertain tax positions.

The Organization’s IRS Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the taxing authorities, generally for three years after filing.

Cash and Cash Equivalents

Cash and cash equivalents include cash in checking accounts and short-term investments with an original maturity of three months or less, excluding amounts held in the investment accounts.

Investments

Investments are recorded at their readily determinable fair value.

Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

Contributions Receivable

Contributions receivable consist primarily of amounts due from pledges that were not received by the Organization at year-end. Management reviews the collectability of the accounts on a regular basis. No reserve for doubtful accounts is deemed necessary as all amounts are deemed to be fully collectible. Contributions are recognized when the donor makes an unconditional promise to give.

Property and Equipment

Property and equipment are recorded at cost, if purchased, or fair market value at date of donation, if contributed, and depreciated over the estimated useful lives using the straight-line method. Leasehold improvements are amortized over the lesser of the term of the related lease or estimated useful life of the asset. Repairs and maintenance costs are expensed as incurred. The Organization follows the practice of capitalizing all expenditures for property and equipment exceeding \$500.

ALLEY CAT ALLIES, INC.

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions for which the restrictions are met in the year received are considered unrestricted for financial statement purposes.

Donated Services

Donated services are recorded at fair value when an unconditional commitment is received and are recognized as revenue and expense in the accompanying financial statements. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The value of such services is recorded based on the estimated fair value of services provided and is classified as contributions revenue and expense applicable to programs and supporting services that are directly benefited.

Pre-Publication Costs

Pre-publication costs represent direct costs incurred in the development of educational titles prior to publication. These costs are recognized as current intangible assets where the title will generate probable future economic benefits within their normal operating cycle and costs can be measured reliably. Pre-publication assets are amortized beginning with the publication of the title over estimated economic lives of five years or less, the estimate of the expected operating life cycle of the title.

Deferred Rent

The Organization's lease for office space includes predetermined annual increases in the amount of rent. Generally accepted accounting principles require that lease expense for such operating leases be recognized on a straight-line basis over the life of the lease. Accordingly, a deferred rent liability has been established for this predetermined annual increase and it will be amortized over the life of the lease.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

ALLEY CAT ALLIES, INC.

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

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

Reclassifications

Certain 2016 amounts have been reclassified for comparative purposes.

Prior Year Information

The financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended July 31, 2016, from which the summarized information was derived.

2. CONCENTRATIONS

The Organization maintains cash balances at financial institutions in the Washington, D.C., metropolitan area. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization also maintains an account with a brokerage firm. The account contains cash and securities. Balances are insured up to \$500,000 (with a limit of \$100,000 for cash) by the Securities Investor Protection Corporation. At times during the year, the Organization's cash and securities balances exceeded the insured amounts. The Organization monitors the risk but does not anticipate any credit losses and has not experienced any credit losses on these financial instruments.

As of July 31, 2017, approximately 21% of contributions receivable was due from one donor.

For the year ended July 31, 2016, approximately 50% of legacies and bequests revenue was from two donors. As of July 31, 2016, approximately 60% of contributions receivable was due from two donors.

3. SPLIT-INTEREST AGREEMENTS

Charitable Gift Annuities

The Organization has entered into contracts with annuitants to pay periodic stipulated payments to the annuitants or other designated individuals that terminate at specified times. The Organization records a liability based on the present value of the future payments resulting from the annuity contracts at the date of the gift. The excess (or deficiency) in the amount of each annuity gift over the liability is recorded as contributions and donations in the accompanying statement of activities.

ALLEY CAT ALLIES, INC.

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2017

3. SPLIT-INTEREST AGREEMENTS (CONTINUED)

Charitable Gift Annuities (Continued)

The present value of payments to beneficiaries of gift annuities is calculated using discount rates which represent the risk-free rates in existence at the date of gift. Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the statement of activities.

Beneficial Interest in Remainder Trust

The Organization is one of the beneficiaries of an irrevocable charitable trust (the Trust) established by a donor. Under terms of the Trust, the Organization receives annual distributions from the Trust's investment income and will receive 7.5% of the Trust's remainder principal in fiscal year 2026.

The present value of the Trust's principal is calculated using discount rates which represent the risk-free rates in existence at the date of the gift. Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the respective net asset class in the statement of activities.

4. RETIREMENT PLANS

The Organization maintains both a 403(b) tax deferred annuity plan (the 403(b) Plan) and a money purchase plan (the MP Plan) for eligible employees. Under the 403(b) Plan, employees may elect to defer a portion of their compensation up to certain Internal Revenue Service limits. The MP Plan provides for a match of up to 2% of compensation based on employee deferrals to the 403(b) Plan and an additional contribution of 3% of compensation. Employees vest in the MP Plan based on length of service. For the years ended July 31, 2017 and 2016, the Organization made contributions to both plans totaling approximately \$99,200 and \$60,500, respectively.

5. PROPERTY AND EQUIPMENT

As of July 31, 2017 and 2016, the Organization's property and equipment consisted of the following:

Description	2017	2016
Equipment	\$ 402,375	\$ 391,868
Equipment Held under Capital Lease	27,036	27,036
Software and Website	540,486	540,501
Furniture and Fixtures	143,825	143,825
Vehicles	55,662	55,662
Rental Property	610,646	610,146
Leasehold Improvements	98,352	95,303
	1,878,382	1,864,341
Less Accumulated Depreciation and Amortization	(857,140)	(692,906)
Property and Equipment	\$ 1,021,242	\$ 1,171,435

ALLEY CAT ALLIES, INC.

**NOTES TO FINANCIAL STATEMENTS
JULY 31, 2017**

6. OFFICE LEASING ARRANGEMENT

The Organization has a lease for office and storage space which expires in June of 2021. The lease contains a five-year renewal option at 95% of the prevailing market rate. In addition to the base rent, the Organization is required to pay its pro-rata share of operating expenses and real estate taxes over the base amount.

The following is a schedule of future minimum lease payments:

<u>For the Years Ending July 31,</u>	<u>Total</u>
2018	\$ 445,208
2019	456,365
2020	467,803
2021	<u>438,977</u>
Total Future Minimum Lease Payments	<u>\$ 1,808,353</u>

The rent expense for the years ended July 31, 2017 and 2016, was approximately \$477,300 and \$458,500, respectively.

7. CAPITAL LEASING ARRANGEMENT

The Organization leases office equipment under a capital lease which expires in June 2019. The asset and liability under capital lease are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The asset is depreciated over the lower of the related lease term or the estimated useful life. Amortization on the equipment held under the capital lease is included with depreciation expense. Accumulated depreciation of the asset under capital lease was approximately \$15,800 and \$10,400 as of July 31, 2017 and 2016, respectively.

The following is a schedule of future minimum lease payments under the capital lease:

<u>For the Years Ending July 31,</u>	<u>Total</u>
2018	\$ 6,016
2019	<u>6,015</u>
Total Future Minimum Lease Payments	12,031
Less Amount Representing Interest	<u>(542)</u>
Net Minimum Lease Payments	<u>\$ 11,489</u>

8. FAIR VALUE MEASUREMENTS

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets (examples include mutual funds);

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active (examples include corporate or municipal bonds);

ALLEY CAT ALLIES, INC.

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2017

8. FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs into the determination of fair value require significant management judgment (examples include certain private equity securities and split-interest agreements).

The following presents the Organization's assets measured at fair value as of July 31, 2017:

<u>July 31, 2017</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity Securities	\$ 2,216,744	\$ -	\$ -	\$ 2,216,744
Mutual Funds	594,448	-	-	594,448
Cash, Held in Investment Accounts	111,057	-	-	111,057
Subtotal	2,922,249	-	-	2,922,249
Beneficial Interest in Charitable Trust	-	-	192,583	192,583
Total	<u>\$ 2,922,249</u>	<u>\$ -</u>	<u>\$ 192,583</u>	<u>\$ 3,114,832</u>

The following presents the Organization's assets measured at fair value as of July 31, 2016:

<u>July 31, 2016</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity Securities	\$ 1,940,876	\$ -	\$ -	\$ 1,940,876
Mutual Funds	608,557	-	-	608,557
Cash, Held in Investment Accounts	231,783	-	-	231,783
Subtotal	2,781,216	-	-	2,781,216
Beneficial Interest in Charitable Trust	-	-	175,319	175,319
Total	<u>\$ 2,781,216</u>	<u>\$ -</u>	<u>\$ 175,319</u>	<u>\$ 2,956,535</u>

The beneficial interest in the charitable trust (the Trust) was valued using the Organization's pro-rata percentage interest in the Trust and the present value of the quoted market prices for the Trust assets.

The change in assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ending July 31, 2017 and 2016, was as follows:

<u>July 31,</u>	<u>2017</u>	<u>2016</u>
Beginning Balance	\$ 175,319	\$ 138,000
Contributions	17,264	37,319
Ending Balance	<u>\$ 192,583</u>	<u>\$ 175,319</u>

9. TEMPORARILY RESTRICTED NET ASSETS

As of July 31, 2017 and 2016, the Organization's temporarily restricted net assets were available for the following purposes:

<u>Purpose</u>	<u>2017</u>	<u>2016</u>
Direct Care - Disaster Relief	\$ -	\$ 21,780
Subsequent Years' Activities	1,495,732	1,749,302
Total Temporarily Restricted Net Assets	<u>\$ 1,495,732</u>	<u>\$ 1,771,082</u>

ALLEY CAT ALLIES, INC.

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2017

9. TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

For the years ended July 31, 2017 and 2016, net assets were released from restrictions by incurring expenses satisfying the purpose restrictions or time restrictions as follows:

Purpose	2017	2016
Direct Care - Disaster Relief	\$ 21,780	\$ 5,594
Trap-Neuter-Return Program	-	23,849
Subsequent Years' Activities	1,162,088	735,363
Net Assets Released from Restrictions	\$ 1,183,868	\$ 764,806

10. ALLOCATION OF JOINT COSTS

During the years ended July 31, 2017 and 2016, the Organization conducted activities that included requests for contributions and program components. Those activities included mail campaigns, informational materials, program activities and special program events. The total joint costs of conducting these activities for the years ended July 31, 2017 and 2016, which are not specifically attributable to particular components of the activities, were allocated as follows:

Description	2017	2016
Program Expenses	\$ 1,647,203	\$ 1,698,703
Development Expenses	255,157	233,359
Total Joint Costs	\$ 1,902,360	\$ 1,932,062

11. CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following as of July 31, 2017 and 2016:

Description	2017	2016
Contributions Receivable Due in Less Than One Year	\$ 1,294,122	\$ 1,547,528
Contributions Receivable Due in One to Five Years	20,000	25,000
Total Contributions Receivable	1,314,122	1,572,528
Less Discount to Present Value	(1,481)	(1,115)
Contributions Receivable	\$ 1,312,641	\$ 1,571,413

Contributions receivable have been discounted at a rate of 2% at July 31, 2017 and 2016.

12. DONATED SERVICES

The value of donated services included as revenue and expenses in the financial statements are as follows:

	Program Services				Supporting Services		2017 Total
	Advocacy	Humane Care and Outreach	Law and Policy	Shelter Transformation	Management and General	Development	
Professional Services	\$ 3,419	\$ 1,166	\$ 726	\$ 90	\$ 175	\$ 237	\$ 5,813
Computer Expense	23,847	5,311	2,785	-	1,475	1,222	34,640
Total	\$ 27,266	\$ 6,477	\$ 3,511	\$ 90	\$ 1,650	\$ 1,459	\$ 40,453

ALLEY CAT ALLIES, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2017

13. SUBSEQUENT EVENTS

Subsequent events were evaluated through January 11, 2018, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

ALLEY CAT ALLIES, INC.

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2017
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JULY 31, 2016)

	Program Services				Supporting Services				2017 Total	2016 Total
	Advocacy	Humane Care and Outreach	Law and Policy	Shelter Transformation	Total Program Services	Management and General	Development	Total Supporting Services		
Salaries, Benefits, and Other Personnel Expenses	\$ 1,762,924	\$ 1,026,905	\$ 384,325	\$ -	\$ 3,174,154	\$ 302,317	\$ 110,312	\$ 412,629	\$ 3,586,783	\$ 2,920,620
Printing and Postage	1,957,858	50,233	3,715	-	2,011,806	2,519	379,528	382,047	2,393,853	2,181,162
Professional Services	1,139,686	388,669	241,955	29,999	1,800,309	58,462	78,991	137,453	1,937,762	1,999,894
Grant Expense	37,239	222,626	340	-	260,205	247	95	342	260,547	336,312
General Operating Costs	246,284	201,534	45,910	-	493,728	28,835	211,229	240,064	733,792	605,112
Rent and Building Costs	256,571	147,836	55,895	-	460,302	40,650	15,244	55,894	516,196	478,151
Computer Expense	376,707	83,899	43,992	-	504,598	23,291	19,304	42,595	547,193	458,703
Media and Promotion Costs	24,059	23,516	2,634	-	50,209	122	717	839	51,048	153,196
Telephone	23,886	13,376	5,255	-	42,517	3,822	1,433	5,255	47,772	41,744
Travel and Transportation	76,717	40,954	24,811	180	142,662	4,070	1,714	5,784	148,446	169,878
Total	\$ 5,901,931	\$ 2,199,548	\$ 808,832	\$ 30,179	\$ 8,940,490	\$ 464,335	\$ 818,567	\$ 1,282,902	\$ 10,223,392	\$ 9,344,772