



ALLEY CAT ALLIES, INC.

FINANCIAL STATEMENTS

JULY 31, 2021

ALLEY CAT ALLIES, INC.

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Independent Auditor's Report

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, 2021, and the related statements of activities, functional expenses, 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.

Auditor's 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 auditor's 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, 2021, 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.

Councilor, Buchanan + Mitchell, P.C.

Certified Public Accountants

Washington, D.C.
April 1, 2022



ALLEY CAT ALLIES, INC.

STATEMENT OF FINANCIAL POSITION
JULY 31, 2021

Assets	
Cash and Cash Equivalents	\$ 5,653,414
Investments	2,549,200
Contributions and Bequests Receivable	795,202
Prepaid Expenses	268,141
Investments Restricted for Charitable Gift Annuities	261,813
Beneficial Interest in Remainder Trust	276,948
Security Deposit	27,770
Property and Equipment, Net	<u>2,272,994</u>
Total Assets	<u>\$ 12,105,482</u>
Liabilities and Net Assets	
Liabilities	
Accounts Payable and Accrued Expenses	\$ 1,032,206
Charitable Gift Annuities Payable	91,895
Capital Leases Payable	6,878
Deferred Rent	<u>53,542</u>
Total Liabilities	1,184,521
Net Assets	
Without Donor Restrictions	9,852,305
With Donor Restrictions	<u>1,068,656</u>
Total Net Assets	<u>10,920,961</u>
Total Liabilities and Net Assets	<u>\$ 12,105,482</u>

See accompanying Notes to Financial Statements.

ALLEY CAT ALLIES, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
Contributions	\$ 9,218,089	\$ -	\$ 9,218,089
Legacies and Bequests	2,058,357	410,280	2,468,637
Federated and Nonfederated Campaigns	6,314	70,261	76,575
Investments Gain	886,231	-	886,231
Rental Income	32,650	-	32,650
Other Income	14,099	-	14,099
Change in Split-Interest Gifts	9,241	46,226	55,467
Net Assets Released from Restrictions	1,405,343	(1,405,343)	-
Total Revenue	13,630,324	(878,576)	12,751,748
Expenses			
Program Services			
Advocacy	5,324,954	-	5,324,954
Humane Care, Humane Education, and Outreach	1,795,556	-	1,795,556
Law and Policy	957,535	-	957,535
Total Program Services	8,078,045	-	8,078,045
Supporting Services			
Management and General	613,486	-	613,486
Development	621,626	-	621,626
Total Supporting Services	1,235,112	-	1,235,112
Total Expenses	9,313,157	-	9,313,157
Change in Net Assets	4,317,167	(878,576)	3,438,591
Net Assets, Beginning of Year	5,535,138	1,947,232	7,482,370
Net Assets, End of Year	\$ 9,852,305	\$ 1,068,656	\$ 10,920,961

See accompanying Notes to Financial Statements.

ALLEY CAT ALLIES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2021

	Program Services				Supporting Services			Total
	Humane Care, Humane Education, and Outreach	Law and Policy	Total Program Services	Management and General	Development	Total Supporting Services		
Salaries, Benefits, and Other Personnel Expenses	\$ 841,886	\$ 294,584	\$ 1,470,885	\$ 94,567	\$ 9,661	\$ 104,228	\$ 1,575,113	
Printing, Postage, and Caging	1,666,002	4,046	1,689,696	1,186	302,687	303,873	1,993,569	
Professional Services	2,038,456	442,848	2,945,319	455,473	105,247	560,720	3,506,039	
Grant Expense	-	-	432,431	-	-	-	432,431	
General Operating Costs	188,538	67,559	536,396	23,138	128,778	151,916	688,312	
Rent and Building Costs	275,697	112,928	525,894	33,115	51,806	84,921	610,815	
Computer Expense	276,844	29,902	328,952	4,345	19,667	24,012	352,964	
Media and Promotion Costs	10,776	1,072	85,493	314	492	806	86,299	
Travel and Transportation	26,755	4,596	62,979	1,348	3,288	4,636	67,615	
Total	\$ 5,324,954	\$ 957,535	\$ 8,078,045	\$ 613,486	\$ 621,626	\$ 1,235,112	\$ 9,313,157	

See accompanying Notes to Financial Statements.

ALLEY CAT ALLIES, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2021

Cash Flows from Operating Activities	
Change in Net Assets	\$ 3,438,591
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation and Amortization	101,702
Gain on Investments	(803,831)
<u>(Increase) Decrease in Assets</u>	
Contributions and Bequests Receivable	929,071
Beneficial Interest in Remainder Trust	(46,226)
Prepaid Expenses	(77,544)
Other Assets	24,646
Security Deposit	11,902
<u>Increase (Decrease) in Liabilities</u>	
Accounts Payable and Accrued Expenses	149,893
Charitable Gift Annuities Payable	(21,663)
Deferred Rent	22,927
Net Cash Provided by Operating Activities	3,729,468
Cash Flows from Investing Activities	
Purchases of Investments	(105,092)
Purchases of Property and Equipment	(166,626)
Net Cash Used in Investing Activities	(271,718)
Cash Flows from Financing Activities	
Principal Payments on Capital Leases Payable	(3,952)
Net Cash Used in Financing Activities	(3,952)
Net Increase in Cash and Cash Equivalents	3,453,798
Cash and Cash Equivalents, Beginning of Year	2,199,616
Cash and Cash Equivalents, End of Year	\$ 5,653,414

See accompanying Notes to Financial Statements.

ALLEY CAT ALLIES, INC.

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

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 Organization is funded primarily by contributions, including legacies and bequests.

The major programs of the Organization are as follows:

Advocacy

The Organization's mission is met primarily through advocacy.

The Organization empowers and mobilizes citizens (taxpayers) to change policies in their own communities that dictate how animals are treated. Citizens around the country and world request the Organization's help to engage lawmakers so new laws are passed in their city and state to better protect the lives of cats and other animals.

Internationally, the Organization focuses on helping advance lifesaving policies at local and regional government levels. At the national level in the United States and in other nations, the Organization advocates to shift societal views and national policies and laws.

The Organization's shelter reform program creates lifesaving and life enhancing policies for cats and all in hundreds of local shelters including government agencies, contracted shelters, and nonprofit humane societies which receive private and public funding.

The Organization's goal is to create a society in which cats are not subject to cruelty and lethal "control" schemes. The Organization is working toward transformational societal change, with a particular, but not exclusive, focus on compassion for animals, community empowerment, and community cohesion. This work includes environmental care and sustainability. All of the Organization's work hinges on society having sufficient resources, vibrant communities, and a healthy planet.

Humane Care, Humane Education, and Outreach

The Organization provides multiple programs to help directly with animals. The Organization's direct care includes - but is not limited to - hands-on veterinary treatment including spay and neuter, vaccinations, treatment of illnesses, emergency surgery; provision of food and supplies to rescue groups; and delivery of food for distribution to families in need.

The Organization provides grants and published resources, workshops and online webinars, and collaborates with grassroots groups, individuals, and community leaders to build alliances and update ordinances that impact animals. The Organization's humane education, direct care, rescue efforts, and kitten care efforts are extensive in scope and in terms of locality, spans both the

ALLEY CAT ALLIES, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2021

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

Humane Care, Humane Education, and Outreach (Continued)

United States and beyond. The Organization has worked extensively in states including Louisiana and Florida, and dozens of metropolitan areas including Jacksonville, Florida, Houston, Texas, Atlantic City, New Jersey, and Northern California to further mission impact.

The Organization provides funding and resources to nonprofit 501(c)(3) entities to support high-volume spay and neuter and vaccination, microchip clinics, as well as veterinary care and Trap-Neuter-Return (TNR), Return-to-Field (RTF), and Shelter-Neuter-Return (SNR). The Organization responds to natural and human disasters and provide relief, emergency funding, and transport.

The Organization responds in crises, conducts rescue work, and assists geographically and/or economically displaced families to stay together with their animal family members.

Law and Policy

The many policy and legal issues with which the Organization engages includes Trap-Neuter-Return, Return-to-Field, Shelter-Neuter-Return ordinances; legislation that bans declawing; policies that replace 'lethal cat control schemes' with nonlethal cat management policies rooted in compassionate conservation; and the rescission of feeding bans. The Organization's goal is to improve the lives of cats as well as humans and other animals giving them a much better quality of life, public health safety, and peace.

The Organization organizes grassroots groups and individuals. The Organization provides trainings, teaches best practices, drafts bills and policies, conducts research, shares scientific findings and other supporting information, provides support of legal challenges, and more. The Organization provides guidebooks and trainings to educate citizens on how local ordinances are passed and changed, how local political decisions are made, and on how to effectively advocate for change.

The Organization provides resources to achieve justice in cat cruelty cases, to see that laws that endanger cats are abolished, and to help ensure the passage of humane ordinances and state laws with progressive language that protects cats, other animals, and caregivers.

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.

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, 2021, 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.

ALLEY CAT ALLIES, INC.

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

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

Income Taxes (Continued)

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 fair market 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 and Bequests Receivable

Contributions and bequests 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. All amounts are expected to be collected within the next fiscal year.

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 \$3,000.

ALLEY CAT ALLIES, INC.

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

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

Contributions, Including Legacies and Bequests

The Organization reports unconditional 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed conditions and/or restrictions that are met in the same reporting period are reported as unconditional contributions without donor restrictions.

Rental Income

Rental income is recognized on a straight-line basis over the life of the lease.

Deferred Rent

The Organization's lease for office space includes predetermined annual increases in rent payments. The lease also contains rent abatements. 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 the predetermined annual increases and rent abatement.

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. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, benefits, and other personnel expenses, rent and building costs, and general operating costs. These expenses are allocated on the basis of estimates of time and effort by employees or on the basis of headcount. Expenses directly identifiable to specific programs and supporting activities are presented accordingly.

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.

2. LIQUIDITY AND AVAILABLE RESOURCES

The Organization's cash flows have seasonal variations due to the timing of receipt of contributions, legacies and bequests, and vendor payments made. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

ALLEY CAT ALLIES, INC.

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

2. LIQUIDITY AND AVAILABLE RESOURCES (CONTINUED)

As of July 31, 2021, the following financial assets and liquidity sources are available for general operating expenditures for the year ending July 31, 2022:

Description	Amount
Cash and Cash Equivalents	\$ 5,653,414
Investments	2,549,200
Contributions and Bequests Receivable	795,202
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 8,997,816</u>

The Organization also has a \$500,000 line of credit which can be utilized to meet cash flow needs.

3. 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. Management 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, 2021, approximately 44% of contributions and bequests receivable was due from two donors and approximately 16% of legacies and bequests revenue was recognized from one donor.

4. 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 in the accompanying statement of activities.

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.

ALLEY CAT ALLIES, INC.

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

4. SPLIT-INTEREST AGREEMENTS (CONTINUED)

Beneficial Interest in Remainder Trust (Continued)

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.

5. 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 employer contribution of 3% of compensation. Employees vest in the MP Plan based on length of service. For the year ended July 31, 2021, the Organization made contributions to both plans totaling approximately \$45,500.

6. PROPERTY AND EQUIPMENT

As of July 31, 2021, the Organization's property and equipment consisted of the following:

Description	Amount
Equipment	\$ 469,847
Equipment Held under Capital Leases	19,565
Software and Website	559,071
Furniture and Fixtures	177,281
Land, Excluding Rental Property	1,036,975
Buildings, Excluding Rental Property	514,437
Vehicles	270,302
Rental Property	577,772
Leasehold Improvements	95,304
Other Assets	32,519
	<u>3,753,073</u>
Less Accumulated Depreciation and Amortization	<u>(1,480,079)</u>
Property and Equipment, Net	<u>\$ 2,272,994</u>

7. OFFICE LEASING ARRANGEMENT

The Organization has a lease for office and storage space which was to expire in June 2021. 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.

During the year ended July 31, 2021, the Organization amended the lease two times. In August 2020, the Organization amended the lease to reduce the square footage. In March 2021, the Organization amended the lease to extend the office space through June 30, 2024, and to extend the storage space until November 1, 2021. Effective March 1, 2021, monthly lease payments increase approximately 2.2% annually. Under the amendment signed in March 2021, 50% of the first six months of rent are abated under the extension.

ALLEY CAT ALLIES, INC.

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

7. OFFICE LEASING ARRANGEMENT (CONTINUED)

For the year ended July 31, 2021, rent expense was approximately \$386,000.

The future minimum lease payments under the operating leases are as follows:

<u>For the Years Ending July 31,</u>	<u>Amount</u>
2022	\$ 276,395
2023	293,216
2024	274,504
Total Future Minimum Lease Payments	<u>\$ 844,115</u>

8. CAPITAL LEASING ARRANGEMENT

During the year ended July 31, 2019, the Organization began leasing office equipment under capital leases which expire in August 2023. The assets and liabilities under the capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The assets are amortized over the shorter of the related lease term or the estimated useful life. Amortization on the equipment held under the capital leases is included with depreciation expense. Accumulated amortization of the assets held under capital leases was approximately \$13,000 as of July 31, 2021.

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

<u>For the Years Ending July 31,</u>	<u>Amount</u>
2022	\$ 4,271
2023	2,766
2024	62
Total Minimum Lease Payments	7,099
Less Amount Representing Interest	(221)
Present Value of Net Minimum Lease Payments	<u>\$ 6,878</u>

9. 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);

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).

ALLEY CAT ALLIES, INC.

**NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021**

9. FAIR VALUE MEASUREMENTS (CONTINUED)

The following presents the Organization's assets measured at fair value as of July 31, 2021:

<u>July 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity Securities and Mutual Funds	\$ 2,622,929	\$ -	\$ -	\$ 2,622,929
Cash, Held in Investment Accounts	188,084	-	-	188,084
Subtotal	2,811,013	-	-	2,811,013
Beneficial Interest in Charitable Trust	-	-	276,948	276,948
Total	<u>\$ 2,811,013</u>	<u>\$ -</u>	<u>\$ 276,948</u>	<u>\$ 3,087,961</u>

Level 1 investments are valued based on quotations as reported on national exchanges. 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.

For the year ended July 31, 2021, the change in assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) was as follows:

<u>July 31, 2021</u>	<u>Amount</u>
Beginning Balance	\$ 230,722
Change in Present Value	65,933
Distributions	(19,707)
Ending Balance	<u>\$ 276,948</u>

10. NET ASSETS WITH DONOR RESTRICTIONS

As of July 31, 2021, the Organization's net assets with donor restrictions were available for the following purposes:

<u>Purpose</u>	<u>Amount</u>
Subsequent Years' Activities	\$ 1,068,656
Total Net Assets With Donor Restrictions	<u>\$ 1,068,656</u>

For the year ended July 31, 2021, net assets were released from restrictions by incurring expenses satisfying the purpose restrictions or time restrictions as follows:

<u>Purpose</u>	<u>Amount</u>
Subsequent Years' Activities	\$ 1,405,343
Net Assets Released from Restrictions	<u>\$ 1,405,343</u>

ALLEY CAT ALLIES, INC.

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021

11. ALLOCATION OF JOINT COSTS

During the year ended July 31, 2021, 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 year ended July 31, 2021, which are not specifically attributable to particular components of the activities, were allocated as follows:

Description	Amount
Program Services Expenses	\$ 2,037,243
Development Expenses	155,823
Total Joint Costs	\$ 2,193,066

12. LINE OF CREDIT

The Organization maintains a \$500,000 secured line of credit with a bank which expires October 29, 2022. Interest on the line of credit is charged at prime plus 1%, but will never be less than 4.25%. The line is collateralized by all of the Organization's assets and is subject to certain covenants as stipulated by the lender. As of July 31, 2021, there was no line of credit account balance.

13. RELATED PARTY TRANSACTIONS

During the year ended July 31, 2021, the Organization incurred legal and related expenses of approximately \$90,000 for services and reimbursable costs provided by a law firm of which one of the Organization's board members is a partner.

14. SUBSEQUENT EVENTS

Subsequent to July 31, 2021, the Organization sold a building and the related land for a gross sales price of \$675,000. The Organization also purchased a property for \$311,000 subsequent to July 31, 2021.

Subsequent events were evaluated through April 1, 2022, which is the date the financial statements were available to be issued.