ALLEY CAT ALLIES, INC.

INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
JULY 31, 2023

BSC
BERT SMITH & CO.
CERTIFIED PUBLIC ACCOUNTANTS
& MANAGEMENT CONSULTANTS

ALLEY CAT ALLIES, INC.
FINANCIAL STATEMENTS

TABLE OF CONTENTS

BERT SMITH & CO.
CERTIFIED PUBLIC ACCOUNTANTS
& MANAGEMENT CONSULTANTS

1090 Vermont Avenue, NW
Suite 250
Washington, DC 20005

P.O. Box 2478
Kingshill, VI 00851

200 E Pratt Street
Suite 4100
Baltimore, MD 21202

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Alley Cat Allies, Inc.

Report on the Audit of the Financial Statements

Opinion

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, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of July 31, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

T:202.393.5600
TF: 1.855.479.0548
F: 202.393.5608

bertsmithco.com

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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.

Bert Smith & Co.

Washington, D.C.
March 14, 2024,

ALLEY CAT ALLIES, INC.
STATEMENT OF FINANCIAL POSITION
JULY 31, 2023

	2023
ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 18,129,938
Investments	1,599,444
Contributions and Bequests Receivable	515,758
Prepaid Expenses	296,105
Investments Restricted for Charitable Gift Annuities	233,155
Beneficial Interest in Remainder Trust	220,807
Security Deposit	21,570
Total Current Assets	21,016,777
Non-Current Assets	
Property and Equipment, net	938,636
Operating Lease Right-of-Use Asset	247,605
Total Non-Current Assets	1,186,241
Total Assets	$ 22,203,018
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts Payable and Accrued Expenses	$ 688,391
Charitable Gift Annuities Payable	78,386
Operating Lease Liability	274,104
Total Liabilities	1,040,881
Net Assets	
With Donor Restrictions	721,734
Without Donor Restrictions	20,440,403
Total Net Assets	21,162,137
Total Liabilities and Net Assets	$ 22,203,018

The accompanying notes are an integral part of these financial statements.

ALLEY CAT ALLIES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2023

	Without Donor Restrictions	With Donor Restrictions	2023 Total
Revenue and Support			
Contributions	$ 9,666,036	$ -	$ 9,666,036
Legacies and Bequests	7,079,069	394,886	7,473,955
Federated and Nonfederated Campaign	5,566	53,303	58,869
Investment Income	197,982	-	197,982
Other Income	45,946	-	45,946
Change in Split-Interest Gifts	2,223	(11,701)	(9,478)
Gain on Sale of Property and Equipment	170,737	-	170,737
Net Assets Released from Restrictions	229,134	(229,134)	-
Total Revenue and Support	17,396,693	207,354	17,604,047
Expenses			
Program Services:			
Advocacy	5,949,486	-	5,949,486
Humane Care, Humane Education, and Outreach	2,365,927	-	2,365,927
Law and Policy	584,214	-	584,214
Total Program Services	8,899,627	-	8,899,627
Supporting Services:			
Management and General	686,230	-	686,230
Development	464,983	-	464,983
Total Supporting Services	1,151,213	-	1,151,213
Total Expenses	10,050,840	-	10,050,840
Change in Net Assets	7,345,853	207,354	7,553,207
Net Assets , Beginning of Year	13,094,550	514,380	13,608,930
Net Assets, End of Year	$20,440,403	$ 721,734	$21,162,137

The accompanying notes are an integral part of these financial statements.

ALLEY CAT ALLIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2023

	Program Services				Supporting Services			
	Advocacy	Humane Care, Humane Education and Outreach	Law and Policy	Total Program Services	Management and General	Development	Total Supporting Services	Total
Salaries, Benefits, and Other Personnel Expenses	$ 700,807	$ 322,096	$ 269,531	$ 1,292,434	$ 157,635	$ 10,488	$ 168,123	$ 1,460,557
Printing, Postage, and Caging	2,026,721	13,408	5,526	2,045,655	3,232	173,818	177,050	2,222,705
Professional Services	2,484,303	897,965	106,277	3,488,545	411,080	60,270	471,350	3,959,895
Grant Expense	50,000	378,603	-	428,603	-	-	-	428,603
Suppliers Expense	8,558	247,536	1,149	257,243	672	565	1,237	258,480
General Operating Costs	87,504	69,608	37,592	194,704	27,429	116,539	143,968	338,672
Rent and Building Costs	260,190	164,270	122,089	546,549	71,394	59,993	131,387	677,936
Computer Expense	263,697	15,970	30,092	309,759	7,795	42,504	50,299	360,058
Media and Promotion Costs	11,971	111,584	-	123,555	-	-	-	123,555
Travel and Transportation	55,735	144,887	11,958	212,580	6,993	806	7,799	220,379
Total Expenses	$ 5,949,486	$ 2,365,927	$ 584,214	$ 8,899,627	$ 686,230	$ 464,983	$ 1,151,213	$ 10,050,840

The accompanying notes are an integral part of these financial statements.

ALLEY CAT ALLIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2023

	2023
Cash Flows from Operating Activities	
Change in Net Assets	$ 7,553,207
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	54,512
Unrealized Loss on investments	294,200
Realized Gain on Investments	(308,222)
Donated Securities Received	(30,885)
Gain on Sale of Property and Equipment	(170,737)
(Increase) Decrease in Assets:	
Contributions and Bequests Receivable	(233,444)
Prepaid Expenses	(38,111)
Beneficial Interest in Remainder Trust	11,701
Operating Lease Right-of-Use Asset	(247,605)
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Expenses	(299,307)
Charitable Gift Annuities Payable	(13,530)
Operating Lease Liability	274,104
Deferred Rent	(49,165)
Net Cash Provided by Operating Activities	6,796,718
Cash Flows from Investing Activities	
Purchase of Property and Equipment	(47,472)
Sale of Investments	1,055,426
Reinvestment of Dividends and Interest	(88,991)
Proceeds from Sale of Property and Equipment	1,205,566
Net Cash Provided by Investing Activities	2,124,529
Cash Flows from Financing Activities	
Principal Payments on Capital Leases Payable	(2,722)
Net Cash Used in Financing Activities	(2,722)
Net Increase in Cash and Cash Equivalents	8,918,525
Cash and Cash Equivalents, Beginning of Year	9,211,413
Cash and Cash Equivalents, End of Year	$ 18,129,938
Supplemental Data	
Interest Paid During the Year	$ 44

The accompanying notes are an integral part of these financial statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- ***Alley Cat Allies, Inc.***
  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 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 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 caregivers; 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 United States and beyond. The Organization has worked extensively in states including Louisiana, Florida, Texas, New Jersey, and 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 recission of feeding bans. The Organization's goal is to improve the lives of cats, giving them a much better quality of life.

The Organization organizes grassroots groups and individuals. The Organization provides training, 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 training 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 Tax***
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, 2023, 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 reported at fair market value in the statement of financial position. Investment income includes interest and dividend income, realized and unrealized gains and losses, and are recognized as revenue and reported in the statement of activities and changes in net assets as increases or decreases in net assets without donor restrictions, unless their use is restricted by the donor.

- ***Risks and Uncertainties***
The Organization invests in various investment securities. Investment securities are exposed to various risks such as interests' 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 of three to twenty-seven- and one-half years 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 $5,000.

- ***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.

- ***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.

- ***Use of 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.

- ***Recently Adopted Accounting Pronouncements***
  In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. Based on this guidance, lessees are required to recognize the following for all leases with terms longer than 12 months: (a) lease liabilities measured on a discounted basis; and (b) lease assets, which represent the lessee's right to use, or control the use of, a specified asset for the lease term. The new guidance requires a modified retrospective transition approach for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. This new standard was amended to be effective for fiscal years beginning after December 15, 2021 (fiscal year 2022 for The Organization), with early application permitted. On July 1, 2022, the Organization adopted Topic 842 using the modified retrospective transition method applied to leases with terms extending past July 1, 2022. Consequently, results for reporting periods beginning after July 1, 2022, are presented under ASU 2016-02 (Topic 842).

NOTE 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.

As of July 31, 2023, the following financial assets and liquidity sources are available for general operating expenditures for the year ending July 31, 2023:

Description	Amount
Cash and Cash Equivalents	$ 18,129,938
Investments	1,599,444
Contributions and Bequests Receivable	515,758
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 20,245,140

NOTE 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 balances exceeded the insured amounts for the investment accounts. 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, 2023, the beneficial interest in remainder trust was from one trust and is discussed in Note 4 below.

NOTE 4 SPLIT-INTEREST AGREEMENT

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 and in the current assets section of the statement of financial position with a balance of $233,155.

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 2025.

The present value of the Trust's principal is calculated using discount rates which represent the risk-free rates. This account has a balance of $220,807 at July 31, 2023, and is included in the current assets section of the statement of financial position. 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.

NOTE 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, 2023, the Organization made contributions to both plans totaling approximately $25,214.

NOTE 6 FAIR VALUE MEASUREMENT

The Organization follows the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. FASB ASC 820 provides a framework for measuring fair value under accounting principles generally accepted in the United States of America and applies to all financial instruments that are being measured and reported on a fair value basis. FASB ASC 820 sets out a fair value hierarchy and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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).

The following presents the Organization's assets measured at fair value as of July 31, 2023:

	Level 1	Level 2	Level 3	Total
Equity Securities and Mutual Funds	$1,563,761	$ -	$ -	$1,563,761
Cash, Held in Investment Accounts	268,838	-	-	268,838
Subtotal	1,832,599	-	-	1,832,599
Beneficial Interest in Remainder Trust	-	220,807	-	220,807
Total	$1,832,599	$220,807	$ -	$2,053,406

Level 1 investments are valued based on quotations as reported on national exchanges. The beneficial interest in the charitable remainder 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, which are all Level 1 or Level 2 investments. The Level 2 investments are valued based on comparable values for similar securities. The beneficial interest in the Trust is treated as a Level 2 investment since it contains both Level 1 and Level 2 securities.

NOTE 7 PROPERTY AND EQUIPMENT

As of July 31, 2023, the Organization's property and equipment consisted of the following:

Description	Amount
Equipment	$ 489,412
Software and Website	559,071
Furniture and Fixtures	177,281
Land	767,544
Buildings	172,229
Vehicles	108,046
Leasehold Improvements	95,303
Patents, trademarks Assets	32,519
Total	2,401,405
Less: Accumulated Depreciation and Amortization	(1,462,769)
Property and Equipment, Net	$ 938,636

Depreciation expense for the year ended July 31, 2023, was $ 54,512.

NOTE 8 LEASE AGREEMENT

The Organization has a lease for office and storage space which was amended during fiscal year 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. The amended lease covered the period March 1, 2021, and expires June 30, 2024. Monthly rent is charged at a rate of $24,207.69 with a 2.5 percent annual escalation. The lease agreement was subsequently amended effective September 1, 2023, with an expiration date of September 30, 2029. This lease has been classified as an operating lease in accordance with Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) Topic 842, "Leases."

Operating Lease Right of Use (ROU) Assets	$ 247,605
Current Portion of Operating Lease Liability	274,104
Total Operating Lease Liability	$ 274,104

The operating lease cost for the year ended July 31, 2023, was $289,418. During 2023, cash paid for amounts included in the measurement of the operating lease liability was $311,808. Operating lease ROU asset recorded as exchange for lease obligation was $897,207 at March 1, 2021. Information associated with the measurement of operating lease obligations as of July 31, 2023, is as follows:

The following table summarizes the maturities of the lease liability as of July 31, 2023:

Maturity of the operating lease liability as of July 31, 2023, is as follows:

Year	Amount
2024	$ 274,104
Total Operating Lease Payments	274,504
Less: Imputed Interest	(400)
Total Operating Lease Liability	$ 274,104

As of July 31, 2023, the weighted average remaining lease term for the operating lease was approximately eleven months, and the weighted average discount rate used to measure the operating lease liabilities was 0.29%.

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

As of July 31, 2023, the Organization's net assets with donor restrictions were available for the following purposes:

Purposes	Amount
Subsequent Years' Activities	$ 721,734
Total Net Assets With Donor Restrictions	$ 721,734

Net assets were released from donor restrictions by incurring expenses satisfying the specified purposes by the donors totaling $229,134 for the year ended.

NOTE 10 ALLOCATION OF JOINT COSTS

During the year ended July 31, 2023, the Organization conducted activities that included requests for contributions and program components. Those activities included mail campaigns informational materials and program activities. The total joint costs of conducting these activities for the year ended July 31, 2023, which are not specifically attributable to particular components of the activities, were allocated as follows:

Description	Amount
Program Services Expenses	$ 1,869,477
Development Expenses	162,563
Total Joint Costs	$ 2,032,040

NOTE 11 RELATED PARTY TRANSACTIONS

During the year ended July 31, 2023, the Organization incurred legal and related expenses of approximately $55,000 for services and reimbursable costs provided by a law firm of which one of the Organization's board members was a partner.

NOTE 12 COMMITMENTS AND CONTINGENCIES

In September 2023, the Organization renewed their existing property lease which was due to expire on June 30, 2024. The renewed lease agreement has a lease term effective September 1, 2023, through September 30, 2029. As of July 31, 2023, the Organization has not recognized any lease liabilities or right-of-use assets associated with this lease modification in its financial statements.

The Organization is involved in legal actions arising in the ordinary course of its business. In the opinion of management, after consultation with external legal counsel, the Organization has adequate legal defense with respect to any of these actions and if the outcomes are unfavorable, management does not believe that they will materially affect the Organization's results of operations or financial position.

NOTE 13 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 14, 2024, which is the date the financial statements were available to be issued and determined that no other events require adjustments to or disclosure in the financial statements. The Organization entered into a new modification of the operating lease agreement effective September 1, 2023, and an expiration date of September 30, 2029.