

LEAGUE FOR ANIMAL WELFARE

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
League for Animal Welfare

### ***Opinion***

I have audited the accompanying financial statements of League for Animal Welfare (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of League for Animal Welfare as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

I conducted the audit in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. I am required to be independent of League for Animal Welfare to meet other ethical responsibilities in accordance with the relevant ethical requirements relating to the audit. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my 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 League for Animal Welfare's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

My objective is 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 my 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, including omissions, 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, I:

- 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 my 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.

I am 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 I identified during the audit.

*Kathleen F. Wesp CPA*

Kathleen F. Wesp, CPA

May 2, 2024

LEAGUE FOR ANIMAL WELFARE  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2023 AND 2022

ASSETS		
	2023	2022
Cash and cash equivalents	\$ 661,889	\$ 780,269
Accounts receivable	1,703	4,127
Investments, at market value	5,668,785	4,732,289
Operating lease right of use asset	2,344	6,270
Property and equipment, net	2,856,320	2,944,372
TOTAL ASSETS	\$ 9,191,041	\$ 8,467,327
LIABILITIES AND NET ASSETS		
LIABILITIES		
Line of credit	\$ -	\$ -
Accounts payable and accrued expenses	41,513	12,621
Refund liability	6,750	6,550
Operating lease liability	2,344	6,270
Note payable - SBA	158,618	150,000
TOTAL LIABILITIES	209,225	175,441
NET ASSETS		
Without donor restriction	8,981,816	9,291,886
With donor restriction	-	-
TOTAL NET ASSETS	8,981,816	9,291,886
TOTAL LIABILITIES AND NET ASSETS	\$ 9,191,041	\$ 9,467,327

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>SUPPORT</b>						
Contributions and grants	\$ 1,303,859	\$ 112,000	\$ 1,415,859	\$ 985,468	\$ 41,000	\$ 1,026,468
Adoption fees	162,881	-	162,881	144,615	-	144,615
Program fees	121,013	-	121,013	26,573	-	26,573
In-kind contributions	92,851	-	92,851	51,359	-	51,359
Merchandise sales less cost of goods	(4,834)	-	(4,834)	(346)	-	(346)
Other income	2,496	-	2,496	4,877	-	4,877
Special events less direct cost	56,405	-	56,405	(97)	-	(97)
Investment earnings (losses), net	804,548	-	804,548	(977,785)	-	(977,785)
Net assets released from restriction	112,000	(112,000)	-	54,774	(54,774)	-
<b>TOTAL SUPPORT</b>	<b>2,651,219</b>	<b>-</b>	<b>2,651,219</b>	<b>289,438</b>	<b>(13,774)</b>	<b>\$ 275,664</b>
<b>EXPENSES</b>						
Animal Care	1,735,076	-	1,735,076	1,591,017	-	1,591,017
Management and general	155,923	-	155,923	115,285	-	115,285
Fundraising	70,290	-	70,290	42,951	-	42,951
<b>TOTAL EXPENSES</b>	<b>1,961,289</b>	<b>-</b>	<b>1,961,289</b>	<b>1,749,253</b>	<b>-</b>	<b>1,749,253</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>						
	689,930	-	689,930	(1,459,815)	(13,774)	(1,473,589)
<b>NET ASSETS</b>						
<b>BEGINNING OF YEAR</b>	<b>8,291,886</b>	<b>-</b>	<b>8,291,886</b>	<b>9,751,701</b>	<b>13,774</b>	<b>9,765,475</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 8,981,816</b>	<b>\$ -</b>	<b>\$ 8,981,816</b>	<b>\$ 8,291,886</b>	<b>\$ -</b>	<b>\$ 8,291,886</b>

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 689,930	\$ (1,473,589)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	114,345	114,530
Unrealized/realized change in market value	(684,683)	1,095,508
Changes in:		
Pledge and accounts receivable	2,424	97,548
Prepaid expenses	-	3,853
Accounts payable	28,892	(40,039)
Refund liability	200	6,550
NET CASH USED (PROVIDED) BY OPERATING ACTIVITIES	151,108	(195,639)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of securities	1,346,391	4,757,017
Purchase of securities	(1,598,204)	(4,210,333)
Purchase of equipment	(26,293)	(30,569)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(278,106)	516,115
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on note payable	8,618	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	8,618	-
NET CHANGE IN CASH	(118,380)	320,476
CASH AT BEGINNING OF YEAR	780,269	459,793
CASH AT END OF YEAR	\$ 661,889	\$ 780,269
NON-CASH TRANSACTIONS		
Operating lease liability incurred in relation to right of use asset	\$ 3,926	\$ 6,270

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

	ANIMAL CARE	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL	2022
Annex	\$ 2,396	\$ -	\$ -	\$ 2,396	\$ 2,225
Bank fees	9,409	-	274	9,683	8,812
Communications	8,828	2,590	353	11,771	13,225
Consulting	-	-	-	-	2,125
Continuing education	1,565	-	-	1,565	7,031
Depreciation	112,059	1,143	1,143	114,345	114,530
Dues and memberships	1,163	-	-	1,163	1,403
Employee appreciation	4,109	42	-	4,151	1,602
Employee benefits	28,812	3,773	1,715	34,300	30,419
Fundraising	-	-	27	27	2,924
Grounds	33,090	338	338	33,766	24,219
Information technology	24,750	253	253	25,256	27,564
Insurance	12,319	5,350	821	18,490	12,388
Interest	-	11,923	-	11,923	-
Kennel supplies	363,933	-	-	363,933	258,381
Marketing	3,872	-	3,872	7,744	7,200
Miscellaneous	215	28	13	256	247
Newsletter	-	-	6,634	6,634	6,134
None left behind program	18,742	-	-	18,742	21,492
Office expense	8,028	8,660	-	16,688	13,178
Payroll processing	5,442	713	324	6,479	6,546
Payroll taxes	77,379	10,132	4,606	92,117	65,013
Pre-hire expense	-	904	-	904	2,603
Professional fees	-	4,500	-	4,500	4,695
Public Assistance	87,904	-	-	87,904	96,313
Salaries	800,102	104,281	47,401	951,784	800,297
Shelter exterior	1,213	-	-	1,213	556
Shelter interior	23,544	1,239	-	24,783	22,651
Stewardship	-	-	2,462	2,462	7,440
Uniforms	450	-	-	450	1,837
Utilities	49,174	54	54	49,282	54,037
Vehicle	12,071	-	-	12,071	14,223
Veterinary	42,378	-	-	42,378	116,801
Volunteer training	2,129	-	-	2,129	1,142
	<u>\$ 1,735,076</u>	<u>\$ 155,923</u>	<u>\$ 70,290</u>	<u>\$ 1,961,289</u>	<u>\$ 1,749,253</u>

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	ANIMAL CARE	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL
Annex	\$ 2,225	\$ -	\$ -	\$ 2,225
Bank fees	8,473	-	339	8,812
Communications	9,654	2,645	926	13,225
Consulting	-	2,125	-	2,125
Continuing education	7,031	-	-	7,031
Depreciation	112,240	1,145	1,145	114,530
Dues and memberships	1,403	-	-	1,403
Employee appreciation	1,602	-	-	1,602
Fundraising	-	-	2,924	2,924
Grounds	23,977	242	-	24,219
Health insurance	25,552	3,346	1,521	30,419
Information technology	27,013	276	275	27,564
Insurance	10,221	2,167	-	12,388
Kennel supplies	258,381	-	-	258,381
Marketing	3,600	-	3,600	7,200
Miscellaneous	-	247	-	247
Newsletter	-	-	6,134	6,134
None left behind program	21,492	-	-	21,492
Office expense	12,068	586	524	13,178
Payroll processing	5,499	720	327	6,546
Payroll taxes	56,562	7,151	1,300	65,013
Pre-hire expense	2,603	-	-	2,603
Professional fees	-	4,695	-	4,695
Salaries	696,258	88,083	15,956	800,297
Shelter exterior	556	-	-	556
Shelter interior	21,518	1,133	-	22,651
Spay and neuter vouchers	96,313	-	-	96,313
Stewardship	-	-	7,440	7,440
Uniforms	1,653	184	-	1,837
Utilities	52,957	540	540	54,037
Vehicle	14,223	-	-	14,223
Veterinary	116,801	-	-	116,801
Volunteer training	1,142	-	-	1,142
	<u>\$ 1,591,017</u>	<u>\$ 115,285</u>	<u>\$ 42,951</u>	<u>\$ 1,749,253</u>

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

**NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the League for Animal Welfare is presented to assist in understanding the organization's financial statements. The financial statements and notes are representations of the organization's management who is responsible for the integrity and objectivity of the financial statements.

*Nature of Operations*

Founded in 1949, League for Animal Welfare provides much needed care for unwanted, lost and neglected cats and dogs in the community. As the oldest and one of the largest no-kill shelters in the area, the League serves the Greater Cincinnati area through initiatives to reduce the number of homeless animals and to help people better care for their pets. Using the resources of its dedicated staff, volunteers and supports, the League provides medical care, behavioral training and socialization needed to match homeless animals with lifelong homes. The League's shelter has the capacity to care for approximately 40 dogs and 100 cats with the permanent placement in appropriate, screened and loving homes. Volunteers foster additional dogs and cats and bottle-feed kittens and puppies in their own homes until they are eligible for adoption. The "Sis & Dick Miller Wellness Clinic" provides veterinary care for all of the shelters' animals, other area shelters and rescues and the community at large.

*Basis of Presentation*

The financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

*Revenue and Revenue Recognition*

The organization recognizes revenue from shelter adoptions and clinic visits when the performance obligations of transferring ownership and services are met. During 2022, the cost to adopt puppies was increased and included a \$150 refund if puppy training was completed within 6 months. The amount of \$6,750 and \$6,550 was recorded as a refund liability as of December 31, 2023 and 2022, respectively.

LEAGUE FOR ANIMAL WELFARE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

**NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

*Revenue and Revenue Recognition - continued*

Merchandise sales are recognized at the time of purchase. Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference.

Contributions are recognized when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when the stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

*In-Kind Contributions*

The organization records various types of in-kind contributions. Contributed services are recognized as contribution if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization. The organization relies on many volunteers to carry out its programs but no amounts have been recorded in the statements of activities because the criteria for recognition have not been satisfied. Contributions of tangible assets are recognized at fair value when received and used for program services. \$92,851 and \$51,359 was recognized for the years ended December 31, 2023 and 2022, respectively. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expense.

*Cash and Cash Equivalents*

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. Cash and highly liquid financial instruments restricted to building projects or other long term purposes are excluded from this definition.

LEAGUE FOR ANIMAL WELFARE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

**NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Investments**

Investments are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair value in the statements of financial position. Net investment return/loss is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

**Accounts and pledge receivable**

The organization considers all contributions receivable to be fully collectible; accordingly no allowance for doubtful accounts is considered necessary

**Property and Equipment**

Property and equipment is stated at cost, or if donated, at the approximate fair market value at the date of donation. Depreciation expense is computed on the straight-line method over the estimated useful life of the assets. Expenditures for major renewals and betterments that extend the useful lives of fixed assets are capitalized. Expenditures for maintenance and repairs are charged to expenses as incurred. Depreciation was \$114,345 and \$114,530 during 2023 and 2022.

**Fair Value of Financial Instruments**

Assets and liabilities measured at fair value are categorized into one of three different levels depending on the observability of the inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are market-observable inputs for measuring the asset or liability other than quoted prices included within Level 1. Level 3 inputs are observable inputs for measuring the asset or liability reflecting significant modifications to observable related market data or the organization's assumptions about pricing by market participants. The carrying amounts of cash and cash equivalents, accounts payable and accrued expenses approximate fair value due to the short-term nature of the items, and are considered to fall within Level 1 of the fair value hierarchy.

**Advertising**

Advertising and marketing is expensed as incurred Expenses for the years ending December 31, 2023 and 2022 was \$7,744 and \$7,200, respectively.

**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. Such allocations are determined by management on an equitable basis. The expenses that are allocated include: caretaker house, communications, depreciation, grounds, information technology, insurance, shelter interior and exterior, and, utilities which are allocated on a square-footage basis, as well as payroll and payroll taxes which are allocated on the basis of estimates of time and effort.

LEAGUE FOR ANIMAL WELFARE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

**NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

*Use of Estimates*

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

*Income Taxes*

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code pursuant to a determination letter from the Internal Revenue Service. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions. The Organization's returns are subject to examination by the IRS generally for 3 years from filing date. Management believes that all positions taken in the tax returns would be sustained upon examination based on the technical merits should the returns be examined. For the years ended December 31, 2023 and 2022, there were no income tax penalties and interest recorded

*Reclassifications*

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

*Concentration and Credit Risk*

The Organization manages deposit concentration risk by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, no losses have been experienced in any of those accounts.

*Recently Adopted Accounting Pronouncements*

Effective January 1, 2022, the organization adopted FASB ASC 842, *Leases*. This standard requires lessees to recognize leases on the statement of financial position as right-of-use (ROU) assets and lease liabilities based on the value of the discounted future lease payments. In adopting ASC 842, the organization elected to use practical expedients, including but not limited to, not reassessing past leases, and not recording assets or liabilities for leases with terms of one year or less. As of January 1, 2022, the Organization adopted (a) an operating lease liability of \$10,081, which represents the present value of the remaining lease payments of approximately \$10,121, discounted using incremental borrowing rate of 3% and (b) an operating right-of-use asset of \$10,081.

LEAGUE FOR ANIMAL WELFARE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

**NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

*Recently Adopted Accounting Pronouncements - Continued*

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by *Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity’s policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new standard, as amended, is to be applied retrospectively, to annual reporting periods beginning after June 15, 2021. The organization has adopted the standard on January 1, 2022. The standard did not have a material impact on the financial statements. The organization has updated disclosures as necessary.

**NOTE #2 - INVESTMENTS**

Long term investments, carried at market value based on quoted prices in active markets (all level 1 measurements) at December 31, 2023 and 2022 consisted of the following:

	2023	2023 Cost	2022	2022 Cost
Fixed income	1,327,579	1,346,874	1,070,160	1,584,083
Equities	4,341,206	3,216,424	3,662,129	2,063,884
	<u>\$5,668,785</u>	<u>\$4,563,298</u>	<u>\$4,732,289</u>	<u>\$3,647,967</u>

Investment earnings are reported net of investment expenses and consisted of the following for the years ended December 31, 2023 and 2022:

	2023	2022
Interest and dividends	\$ 153,292	\$ 149,128
Realized/unrealized gains (losses)	684,683	(1,095,521)
	837,975	(946,393)
Investment expenses	(33,427)	(31,392)
Investment return, net	<u>\$ 804,548</u>	<u>\$ (977,785)</u>

**NOTE #3 – PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2023 and 2022 consisted of the following:

	2023	2022
Equipment and furniture	\$ 426,228	\$ 399,934
Buildings and improvements	3,254,535	3,254,535
Medical RV and equipment	164,544	164,544
Vehicles	154,069	154,069
Land	632,742	632,742
	4,632,118	4,605,824
Less: accumulated depreciation	(1,775,798)	(1,661,452)
	<u>\$ 2,856,320</u>	<u>\$ 2,944,372</u>

LEAGUE FOR ANIMAL WELFARE  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE #4- LINE OF CREDIT**

In 2022, the organization obtained a line of credit in the amount of \$75,000 from PNC Bank. It is not secured. It bears interest at 5.62% No activity on the line of credit during 2023 and 2022.

**NOTE # 5- NOTE PAYABLE**

During 2020, the organization entered into a secured disaster loan through the U.S. Small Business Administration for \$150,000. The loan is for 30 years and carries an interest rate of 2.75%. The required principal and interest payments of \$641 per month were deferred for 30 months, but interest did accrue during that time. The loan is secured by all tangible and intangible personal property. The balance has been adjusted in 2023 to reflect the interest accrual.

	2023	2022
Loan payable, including interest accrual	\$ 158,618	\$ 150,000
Less: current portion	(12,179)	(1,526)
Loan payable, net of current portion	\$ 146,439	\$ 148,474

Future principal payments on the loan payable are as follows at December 31:

2024	\$ -0-
2025	3,169
2026	3,701
2027	3,804
2028 and thereafter	139,326
	\$ 150,000

**NOTE #6- LEASES**

The organization has an operating lease for office equipment that will expire in 2024. The right-of-use (ROU) asset represents the organization's right to use the office equipment for the lease term, and the liability represents the organization's obligation to make lease payments arising from that lease. The ROU asset and liability, arises from an operating lease and was calculated based on the present value of future lease payments over the lease terms. For 2023 and 2022, the total operating lease cost and cash paid was \$4,048.

Future minimum lease payments are as follows:

2023	\$ 2,344
2024	-0-
2025	-0-
2026	-0-
2027 and thereafter	-0-
Total lease payments	2,344
Less present value discount	(198)
Total lease obligations	\$ 2,146

LEAGUE FOR ANIMAL WELFARE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

**NOTE #7- LIQUIDITY AND AVAILABILITY**

The following reflects the Organization’s financial assets reduced by amounts not available for general use within 12 months because of contractual or donor-imposed restrictions.

	2023	2022
Financial assets at year end	\$6,332,377	\$5,516,685
Less: funds unavailable for general expenditures within one year		
Restricted by donor for specific purposes	-0-	-0-
Financial assets available to meet cash needs for general operations within one year	\$6,332,377	\$5,516,685

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, the organization has a line of credit available for \$75,000.

**NOTE #8- NET ASSETS WITH DONOR RESTRICTION**

The organization had no net assets with donor restriction as of the end of 2023 or 2022.

**NOTE #9- SUBSEQUENT EVENTS**

The organization has evaluated subsequent events for recognition and disclosure through May 2, 2024, the date the financial statements were available to be issued. Through that date, there were no events requiring adjustments to or disclosures in the financial statements except as disclosed.