CAMBRIDGE IN AMERICA

CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2023

(WITH SUMMARIZED COMPARATIVE TOTALS FOR JULY 31, 2022)

CAMBRIDGE IN AMERICA

CONTENTS

INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Cambridge in America
New York, New York

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Cambridge in America, which comprise the consolidated statement of financial position at July 31, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cambridge in America at 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cambridge in America 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, Cambridge in America changed its accounting policy related to its recording of leases whereby it is recognizing a right-of-use asset and a lease liability for all lease agreements with a term greater than 12 months. The policy was adopted retrospectively effective August 1, 2022, with the cumulative effect of initially applying the policy recognized as of the date of application. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cambridge in America's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

MOORE
750 THIRD AVENUE, 28TH FLOOR, NEW YORK, NY 10017
P: 212.661.6166 • F: 212.755.6748 • GRASSICPAS.COM
NEW YORK | NEW JERSEY | MASSACHUSETTS | FLORIDA
AN INDEPENDENT FIRM
ASSOCIATED WITH MOORE
GLOBAL NETWORK LIMITED

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 Cambridge in America'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cambridge in America'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.

Report on Summarized Comparative Information

We have previously audited Cambridge in America's 2022 consolidated financial statements, and our report dated January 24, 2023 expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein at and for the year ended July 31, 2022 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

GRASSI & CO., CPAs, P.C.

New York, New York
February 14, 2024

CAMBRIDGE IN AMERICA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JULY 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS AT JULY 31, 2022)

	2023	2022
ASSETS		
Cash and cash equivalents	$ 4,818,883	$ 9,180,551
Investments	8,522,861	6,236,818
Contributions receivable, net	72,976,670	11,415,905
Prepaid expenses and other assets	50,897	8,362
Operating lease right-of-use assets	1,351,878	-
Property and equipment, net	272,069	146,549
TOTAL ASSETS	$ 87,993,258	$ 26,988,185
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 225,753	$ 239,355
Due to Collegiate Cambridge	2,417,429	2,274,765
Operating lease liabilities	1,467,167	-
Deferred rent	-	200,779
Total Liabilities	4,110,349	2,714,899
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without donor restrictions	10,906,239	12,857,381
With donor restrictions	72,976,670	11,415,905
Total Net Assets	83,882,909	24,273,286
TOTAL LIABILITIES AND NET ASSETS	$ 87,993,258	$ 26,988,185

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

CAMBRIDGE IN AMERICA
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JULY 31, 2022)

	2023			
	Without Donor Restrictions	With Donor Restrictions	Total	2022
REVENUES, GAINS, LOSSES AND OTHER SUPPORT:				
Contributions	$ 32,559,413	$ 64,340,491	$ 96,899,904	$ 41,864,437
Contributions in-kind	5,989	-	5,989	224,000
Investment income (loss), net	528,319	-	528,319	(750,089)
Gain (loss) on foreign currency translation	5,374	-	5,374	(2,445)
Net assets released from restrictions	2,779,726	(2,779,726)	-	-
TOTAL REVENUES, GAINS, LOSSES AND OTHER SUPPORT	35,878,821	61,560,765	97,439,586	41,335,903
EXPENSES:				
Program Service:				
College and University projects	31,984,967	-	31,984,967	45,389,859
Supporting Services:				
Management and general	1,877,792	-	1,877,792	1,521,837
Fundraising	3,967,204	-	3,967,204	3,846,568
Total Supporting Services	5,844,996	-	5,844,996	5,368,405
TOTAL EXPENSES	37,829,963	-	37,829,963	50,758,264
CHANGE IN NET ASSETS	(1,951,142)	61,560,765	59,609,623	(9,422,361)
NET ASSETS, BEGINNING OF YEAR	12,857,381	11,415,905	24,273,286	33,695,647
NET ASSETS, END OF YEAR	$ 10,906,239	$ 72,976,670	$ 83,882,909	$ 24,273,286

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

CAMBRIDGE IN AMERICA
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JULY 31, 2022)

	2023					
	Program Service	Supporting Services				
	College and University Projects	Management and General	Fundraising	Total	Total	2022
EXPENSES:						
Salaries	$ -	$ 803,103	$ 1,966,217	$ 2,769,320	$ 2,769,320	$ 2,687,526
Payroll taxes and employee benefits	-	211,540	517,907	729,447	729,447	746,523
Total salaries and related expenses	-	1,014,643	2,484,124	3,498,767	3,498,767	3,434,049
Transmissions to Collegiate Cambridge	31,984,967	-	-	-	31,984,967	45,389,859
Staff development	-	11,560	28,303	39,863	39,863	51,697
Professional fees	-	74,304	-	74,304	74,304	100,556
Recruiting	-	1,057	2,587	3,644	3,644	4,473
Occupancy	-	239,398	586,113	825,511	825,511	819,102
Insurance	-	12,152	-	12,152	12,152	15,085
Office supplies and expenses	-	55,760	136,515	192,275	192,275	161,659
Travel	-	71,166	147,378	218,544	218,544	197,401
Data processing	-	22,751	55,701	78,452	78,452	88,932
Consultants	-	24,089	58,975	83,064	83,064	36,204
Board travel and meetings	-	26,371	64,564	90,935	90,935	77,585
Dues and subscriptions	-	17,202	42,114	59,316	59,316	53,737
Depreciation and amortization	-	47,505	-	47,505	47,505	83,198
Leases and rentals	-	2,082	5,096	7,178	7,178	7,607
Repairs and maintenance	-	360	882	1,242	1,242	1,133
Bad debt expense	-	247,080	-	247,080	247,080	44,077
Events and related costs	-	-	212,763	212,763	212,763	21,476
Marketing and promotion	-	-	116,844	116,844	116,844	150,028
Miscellaneous	-	10,312	25,245	35,557	35,557	20,406
TOTAL EXPENSES	$ 31,984,967	$ 1,877,792	$ 3,967,204	$ 5,844,996	$ 37,829,963	$ 50,758,264

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

CAMBRIDGE IN AMERICA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JULY 31, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 59,609,623	$ (9,422,361)
Adjustments to reconcile change in net assets		
to net cash used in operating activities:		
Bad debt expense	247,080	44,077
Realized and unrealized (gain) loss on investments	(331,734)	815,599
Noncash lease expense	624,259	-
Depreciation and amortization	47,505	83,198
Deferred rent	-	(57,644)
(Increase) decrease in assets:		
Accounts receivable	-	690
Contributions receivable	(61,807,845)	(3,024,538)
Prepaid expenses and other assets	(42,535)	(4,093)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(13,602)	55,931
Operating lease liabilities	(709,749)	-
Due to Collegiate Cambridge	142,664	(3,283,821)
NET CASH USED IN OPERATING ACTIVITIES	(2,234,334)	(14,792,962)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(173,025)	-
Purchases of investments	(5,145,195)	(1,966,542)
Proceeds from sales of investments	3,190,886	15,047,648
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(2,127,334)	13,081,106
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,361,668)	(1,711,856)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,180,551	10,892,407
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 4,818,883	$ 9,180,551

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

Note 1 - Nature of Operations

Cambridge in America ("CAm") is a publicly supported not-for-profit organization incorporated in the District of Columbia in 1967 and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

CAm's primary purpose is to promote a broad base of interest in and financial support for the University of Cambridge and its constituent colleges, known as Collegiate Cambridge, among its alumni and friends in the Americas by:

- Maximizing fundraising efforts for the educational and research missions of Collegiate Cambridge from individuals, corporations and charitable foundations.
- Making known the achievements of Collegiate Cambridge to and beyond the alumni body, both directly and through the press and media.
- Coordinating and assisting alumni activities.

It is the Board of Directors' policy not to accept donations that restrict the purpose of the funds, although the donor may specify a preference. The primary sources of revenue are contributions.

In 2009, Cambridge in America UK Limited ("CAm UK") was created, with CAm as the sole shareholder. As such, it is considered as a disregarded entity for United States income tax purposes. The primary purpose of CAm UK is to receive contributions in England.

Note 2 - Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the financial position, changes in net assets, functional expenses and cash flows of CAm and CAm UK (collectively the "Organization"). Intercompany transactions and balances have been eliminated in consolidation.

Adoption of ASU No. 2016-02

As of August 1, 2022, CAm adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-02, *Leases* (Topic 842) ("ASC 842"). This ASU requires all lessees to recognize a right-of-use asset for the underlying leased asset and a lease liability for the corresponding lease liability for all lease agreements with a term greater than 12 months, initially measured at the present value of the lease payments. It also requires that initial direct costs (incremental costs of a lease that would not have been incurred if the lease had not been obtained) be assessed and added to the right-of-use asset and be included in its subsequent amortization.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Adoption of ASU No. 2016-02 (cont'd.)

In accordance with ASC 842, the modified retrospective method was applied to all lease agreements in effect at August 1, 2022. Under the modified retrospective method, the cumulative effect of applying ASC 842 is recognized at the date of initial application. As a result of adopting ASC 842 effective August 1, 2022, CAm recorded operating right-of-use assets and lease liabilities of $1,976,337 and $2,176,916, respectively, and a write-off of $200,779 of deferred rent.

As of August 1, 2022 (the implementation date of ASC 842), right-of-use assets and the corresponding lease liabilities were recognized based on the present value of lease payments as of the application date over the remaining life of the lease term. Thereafter, right-of-use assets and the corresponding lease liabilities will be recognized as of the lease commencement date based on the present value of lease payments over the life of the lease term. To determine the present value of lease payments, CAm must use the rate implicit in the lease if it is readily determinable; otherwise, CAm may use either (a) a borrowing rate based on similar debt or (b) the practical expedient option provided by ASC 842, which allows an entity to use a risk-free rate for each class of underlying asset for a period comparable to the lease term to discount the lease payments to present value. CAm considers the lease term to be the noncancellable period that it has the right to use the underlying asset, including all periods covered by an option to (1) extend the lease, if CAm is reasonably certain to exercise the option, (2) terminate the lease, if CAm is reasonably certain not to exercise that option, and (3) extend or not to terminate the lease, in which exercise of the option is controlled by the lessor. CAm has elected to use the practical expedient provided by ASC 842 and has used the risk-free rate to determine the present value of its lease payments. CAm's right-of-use assets and lease liabilities relate to office space.

CAm has also utilized the following practical expedients:

- Short-term leases - for leases that are for a period of 12 months or less, CAm will not apply the recognition requirements of ASC 842.
- For leases that contain related non-lease components, such as maintenance, CAm will account for these payments as a single lease component.

In addition, CAm has utilized transitional practical expedients as follows:

- As of August 1, 2022, CAm has not reassessed -
  - Whether any expired or existing contracts are or contain leases;
  - The lease classification for any expired or existing leases; and
  - Initial direct costs related to any expired or existing leases.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Adoption of ASU No. 2016-02 (cont'd.)

Leases are classified as either finance or operating leases. For operating leases, the lease liability is initially and subsequently measured at the present value of the future payments at the lease commencement date. For finance leases, the lease liability is initially measured in the same manner and is subsequently measured similar to financed purchases, with interest expense recorded in connection with the lease liability. The classification between operating and finance leases determines whether lease expenses are recognized based on an effective interest method or on a straight-line basis, respectively, over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred and less any incentives received. Right-of-use assets under finance leases are amortized on a straight-line basis over the lease term. Right-of-use assets for operating and finance leases are periodically reduced by impairment losses.

CAm monitors for events or changes that could require a reassessment of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment will be made to the carrying amount of the corresponding right-of-use asset unless doing so would reduce the carrying amount of the right-of-use asset to an amount less than zero.

Operating lease right-of-use assets are presented as "Operating lease right-of-use assets" and the liabilities are presented as "Operating lease liabilities" on the statement of financial position.

Basis of Accounting

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents include highly liquid investments with initial maturities when acquired of three months or less.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Investments

Investments are stated at the readily determinable fair market value in accordance with the Not-for-Profit Entities topic of the FASB Accounting Standards Codification ("ASC"). All interest, dividends and realized and unrealized gains and losses are reported in the statement of activities as increases or decreases in net assets without donor restrictions.

Fair Value Measurement

Fair value is defined 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. To increase the comparability of fair value measurements, a framework for measuring fair value is used which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under FASB ASC Topic 820, *Fair Value Measurement,* are described as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting the Organization's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Refer to Note 4 for assets measured at fair value at July 31, 2023 in accordance with FASB ASC Topic 820.

Contributions Receivable

Contributions receivable are stated net of an allowance for doubtful accounts. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Allowance for Doubtful Accounts

The Organization determines whether an allowance for doubtful accounts should be provided for contributions and accounts receivable. Such estimates are based on management's assessment of the aged basis of the receivables, current economic conditions and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. The Organization has recorded an allowance for doubtful accounts for contributions receivable of $200,000 at July 31, 2023.

Property and Equipment

Property and equipment is recorded at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the lesser of the remaining term of the lease or the useful life of the improvement utilizing the straight-line method. The Organization capitalizes all purchases of property and equipment equal to or in excess of $5,000 having an estimated useful life of greater than one year. Repairs and maintenance are charged to expense in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from accounts and any gain or loss is included in revenue.

Depreciation of property and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets as follows:

Furniture and equipment	5 to 7 years
Leasehold improvements	10 years

Net Assets

Net assets without donor restrictions include funds having no restriction as to use or purpose imposed by donors. The Board of Directors has established an operating reserve with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need. The operating reserve balance totaled $6,000,000 at July 31, 2023 and is included in cash and cash equivalents on the consolidated statement of financial position. Net assets with donor restrictions are those net assets that are restricted by donors for specific purposes or a time restriction.

Contributions

Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions (cont'd.)

The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts and grants, with or without restrictions	
Gifts and grants that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met
Unconditional gifts and grants, with or without donor restrictions	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In-Kind Contributions

The organization receives various forms of gift-in-kind ("GIK") including books, artwork, and first edition musical scores. GIKs are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized GIKs are valued based upon appraisal reports received from third parties. Donated GIKs are not sold and goods are only utilized for program use.

Non-financial contributions category	Type of contributions for beneficiaries	Valuation	2023	2022
Music and art	First edition musical Scores and paintings	Appraisal reports received from independent third parties	$ -	$ 109,000
Books	First edition English Poetry	Appraisal reports received from independent third parties	5,989	115,000
			$ 5,989	$ 224,000

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Functional Expenses

The costs of providing the Organization's services have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses such as salaries, payroll taxes and employee benefits are allocated on a time and effort basis. Transmissions to Collegiate Cambridge are directly charged to program expenses. Expenses attributable to more than one functional expense category are based on the ratio value of staff and consultant time spent on supporting services.

Foreign Currency Translation

The assets and liabilities of CAm UK are recorded in British Pounds (GBP) and are translated to U.S. Dollars (USD) using the exchange rate in effect at the date of the consolidated statement of financial position. Revenues, expenses, gains and losses are translated using the average exchange rate for the year. Gains or losses on foreign currency translation are recognized in the accompanying consolidated financial statements. The exchange rate utilized within the consolidated statement of financial position at July 31, 2023 was GBP 1.00/1.28 USD. The average exchange rate utilized to translate revenues, expenses, gains and losses for 2023 was GBP 1.00/1.23 USD.

Summarized Comparative Totals

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended July 31, 2022, from which the summarized information was derived.

Accounting for Uncertainty in Income Taxes

The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2020.

New Accounting Pronouncement

ASU No. 2016-13

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This ASU modifies the measurement of expected credit losses on certain financial instruments and broadens the information that an entity must consider in developing its expected credit loss estimate to include such factors as current market conditions. Under current guidance, recognition of the full amount of credit losses generally is delayed until the loss is probable of occurring.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

New Accounting Pronouncement (cont'd.)

ASU No. 2016-13 (cont'd.)

The amendments in ASU No. 2016-13 are effective for nonpublic entities for fiscal years beginning after December 15, 2022, and interim periods within that year, based on the update in ASU No. 2019-10 to defer the implementation date.

The Organization has not yet determined if this ASU will have a material effect on its consolidated financial statements.

Note 3 - Concentration of Credit Risk

The Organization maintains cash balances in several financial institutions. Such balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to $250,000 per institution. At July 31, 2023 and from time to time during the year then ended, the Organization's balances exceeded these limits.

At July 31, 2023, approximately 81% of the Organization's contributions receivable is from one donor and for the year ended July 31, 2023, 73% of contributions received are from two donors.

Note 4 - Fair Value Measurement

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at July 31, 2023.

Cash and Cash Equivalents - Valued based on cash management funds whose underlying assets are valued at the net asset value ("NAV") of shares held by the Organization. Cash and cash equivalents are categorized as Level 1 in the fair value hierarchy.

Money market funds and foreign currency - Valued at quoted prices based on identical prices in active markets.

Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price.

Exchange-traded funds (ETFs) and common stocks - Valued at the closing price reported in the active market on which the individual securities are traded.

Hedge funds - Valued at NAV as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily.

Note 4 - Fair Value Measurement (cont'd.)

Recurring Measurements

The following table presents the fair value measurements of assets measured at fair value on a recurring basis and the level within the fair value hierarchy at July 31, 2023:

	Level 1	Level 2	Level 3	Fair Value
Money market funds	$ 124,418	$ -	$ -	$ 124,418
Mutual funds - equity	2,851,310	-	-	2,851,310
Mutual funds - fixed income	4,209,499	-	-	4,209,499
Common stocks	1,010,972	-	-	1,010,972
Foreign currency - Pound Sterling	275,545	-	-	275,545
Total Investments	$ 8,471,744	$ -	$ -	8,471,744
Hedge funds (a)				51,117
				$ 8,522,861

(a) In accordance with FASB ASC Subtopic 820-10, certain investments that were measured at NAV per share have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of financial position.

The following table summarizes the valuation techniques and significant unobservable inputs used for the Organization's investments at July 31, 2023:

	Fair Value at July 31, 2023	Valuation Technique	Range of Inputs
Cornwall Offshore Ltd.	$ 51,117	NAV per share	$852.67 - $1,000 per share

Note 5 - Contributions Receivable

Contributions receivable that are due in over one year have been discounted using rates ranging between 0.69% and 4.51%. Contributions receivable are due as follows:

Due within one year	$ 11,370,153
Due in one to five years	10,382,737
Due in more than five years	86,589,118
	108,342,008
Allowance for doubtful accounts	(200,000)
Discount to present value	(35,165,338)
	$ 72,976,670

Note 6 - Property and Equipment

Property and equipment, net is summarized as follows:

Furniture and equipment	$	466,968
Leasehold improvements		408,810
		875,778
Less: Accumulated depreciation and amortization		603,709
	$	272,069

Depreciation and amortization expense related to property and equipment amounted to $47,505 for the year ended July 31, 2023.

Note 7 - Lease Agreements

CAm leases office space under a lease which expires in July 2025.

Lease activity for the year ended July 31, 2023 was as follows:

Lease cost:		
Operating lease cost	$	624,459
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	709,749
Weighted average remaining lease term:		
Operating leases		2 years
Weighted average discount rate:		
Operating leases		2.20%

Future minimum lease payments as of July 31, 2023 are as follows:

Years Ending July 31:		
2024	$	750,513
2025		750,513
Total future minimum undiscounted lease payments		1,501,026
Less: Amount representing interest		33,859
Present value of future payments		1,467,167
Less: Current lease liabilities		725,522
Long-term lease liabilities	$	741,645

Note 8 - Pension Plan

The Organization administers a defined contribution plan under Section 403(b) of the Internal Revenue Code. All employees who complete twelve months of service are eligible to participate in the plan. Contributions are based upon salaries paid. Pension expense in 2023 was $215,787.

Note 9 - Net Assets With Donor Restrictions

Net assets with donor restrictions of $72,976,670 at July 31, 2023 are restricted to periods after July 31, 2023.

Net assets of $2,779,726 were released from donor restrictions by lapse of time.

Note 10 - Available Resources and Liquidity

The following reflects the Organization's financial assets as of July 31, 2023, reduced by amounts not available for general use within one year of the consolidated statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

Cash and cash equivalents	$ 4,818,883
Investments	8,522,861
Contributions receivable, net	72,976,670
Total financial assets	86,318,414
Less amounts not available to be used within one year:	
Receivables to be collected in more than one year	(61,606,517)
Board-designated operating reserve	(4,800,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 19,911,897

There are board-designated reserves of $1,000,000 at July 31, 2023. Although the Organization does not intend to spend from these reserves, these amounts could be made available if necessary.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and investments.

Note 11 - Subsequent Events

The Organization has evaluated all events or transactions that occurred after July 31, 2023 through February 14, 2024, which is the date that the consolidated financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure except as follows:

Operating Lease

In September 2023, the Organization terminated its current operating lease and entered into a new lease that expires September 30, 2031. Under the terms of the new operating lease, the Organization received 4 months of free rent and monthly payments are set to begin in February 2024.