

Gabriel's Angels, Inc.

**Financial Statements
With Independent Auditors' Report**

For the Year Ended April 30, 2024

**With Summarized Comparative Information
For the Year Ended April 30, 2023**

Gabriel's Angels, Inc.
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April 30, 2024 and 2023

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Independent Auditors' Report

The Board of Directors
Gabriel's Angels, Inc.
Phoenix, Arizona

Opinion

We have audited the accompanying financial statements of Gabriel's Angels (a nonprofit organization), which comprise the statement of financial position as of April 30, 2024, 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 Gabriel's Angels as of April 30, 2024, and the changes in 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 Gabriel's Angels 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 Gabriel's Angels' 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

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 Gabriel's Angels' 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 Gabriel's Angels' 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 Gabriel's Angels' 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 23, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Snyder & Brown CPAs, PLLC

Tempe, Arizona
September 20, 2024

Gabriel's Angels, Inc.
Statement of Financial Position
April 30, 2024
(With Summarized Comparative Totals as of April 30, 2023)

	<u>2024</u>	<u>2023</u>
Assets		
Current assets:		
Cash and cash equivalents	455,301	\$ 466,652
Investments	42,323	38,684
Contributions and pledges receivable, net	84,580	55,206
Prepaid expenses and deposits	51,870	51,463
Total current assets	<u>634,074</u>	<u>612,005</u>
Noncurrent assets:		
Restricted investments	6,010	6,010
Contributions and pledges receivable	83,393	133,697
Cash surrender value, life insurance	411,759	374,413
Property and equipment, net	12,428	61,993
Total assets	<u>\$ 1,147,664</u>	<u>\$ 1,188,118</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 13,142	\$ 8,848
Accrued payroll and related expenses	61,701	70,517
Operating lease liability - current	11,619	58,306
Deferred Revenues	15,000	4,000
Total current liabilities	<u>101,462</u>	<u>141,671</u>
Noncurrent liabilities:		
Operating lease liability - long term	2,461	13,371
Total liabilities	<u>103,923</u>	<u>155,042</u>
Net Assets:		
Without donor restrictions		
Undesignated	866,144	795,258
Board designated for replacement reserves	40,507	37,305
Total without donor restrictions	<u>906,651</u>	<u>832,563</u>
Net Assets with donor restrictions	137,090	200,513
Total net assets	<u>1,043,741</u>	<u>1,033,076</u>
Total liabilities and net assets	<u>\$ 1,147,664</u>	<u>\$ 1,188,118</u>

See Accompanying Notes to Financial Statements.

Gabriel's Angels, Inc.
Statement of Activities
For the Year Ended April 30, 2024
(With Summarized Comparative Totals for the Year Ended April 30, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Other Support				
Contributions	\$ 420,657	\$ -	\$ 420,657	\$ 424,602
Grants	226,400	-	226,400	287,500
Increase in cash surrender value of life insurance policy	37,346	-	37,346	35,050
Net investment income (loss)	5,768	-	5,768	725
Other income	642	-	642	-
Total revenue and other support before special events and releases from restrictions	<u>690,813</u>	<u>-</u>	<u>690,813</u>	<u>747,877</u>
Special event revenue	389,930	10,000	399,930	476,025
Less cost of direct benefits to donors	<u>(191,535)</u>	<u>-</u>	<u>(191,535)</u>	<u>(158,819)</u>
Net revenues from special events	<u>198,395</u>	<u>10,000</u>	<u>208,395</u>	<u>317,206</u>
Net assets released from restrictions	<u>73,423</u>	<u>(73,423)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>962,631</u>	<u>(63,423)</u>	<u>899,208</u>	<u>1,065,083</u>
Expenses and Losses				
Operating expenses:				
Program services	426,339	-	426,339	529,354
Support services				
Management and general	216,120	-	216,120	192,494
Fundraising and development	<u>246,084</u>	<u>-</u>	<u>246,084</u>	<u>198,140</u>
Total operating expenses	<u>888,543</u>	<u>-</u>	<u>888,543</u>	<u>919,988</u>
Change in net assets	74,088	(63,423)	10,665	145,095
Net assets, beginning of year	<u>832,563</u>	<u>200,513</u>	<u>1,033,076</u>	<u>887,981</u>
Net assets, end of year	<u>\$ 906,651</u>	<u>\$ 137,090</u>	<u>\$ 1,043,741</u>	<u>\$ 1,033,076</u>

See Accompanying Notes to Financial Statements.

Gabriel's Angels, Inc.
Statement of Functional Expenses
For the Year Ended April 30, 2024
(With Summarized Comparative Totals for the Year Ended April 30, 2023)

					Totals	
	Program Services	Management and General	Fundraising	Direct costs of donor benefits	2024	2023
Salaries	\$ 237,579	\$ 95,847	\$ 129,454	\$ -	\$ 462,880	\$ 453,276
Payroll benefits and taxes	29,215	11,732	15,958	-	56,905	64,971
	<u>266,794</u>	<u>107,579</u>	<u>145,412</u>	<u>-</u>	<u>519,785</u>	<u>518,247</u>
Supplies	15,188	1,154	1,155	20,994	38,491	21,191
Dues and subscriptions	2,563	811	811	-	4,185	3,572
Professional fees and contract labor	21,448	58,373	34,146	9,137	123,104	150,507
Occupancy	39,413	12,469	12,463	-	64,345	72,090
Repairs and maintenance	697	221	220	-	1,138	573
Telephone and internet	9,065	2,867	2,866	-	14,798	14,972
Insurance	878	23,101	278	-	24,257	25,281
Marketing	27,299	-	12,340	-	39,639	26,295
Bank charges/credit card fees	12,965	4,103	4,101	-	21,169	20,748
Information technology	12,834	4,060	4,059	-	20,953	16,162
Event Facility costs	-	-	-	112,965	112,965	97,335
Event Entertainment and production	-	-	-	42,568	42,568	32,329
Other event costs	-	-	-	5,871	5,871	10,277
Vehicle mileage and travel	7,835	332	333	-	8,500	7,708
Bad debts	-	-	26,850	-	26,850	43,236
Interest	-	-	-	-	-	4,262
Depreciation and amortization	-	-	-	-	-	2,308
Other	9,360	1,050	1,050	-	11,460	11,714
	<u>426,339</u>	<u>\$ 216,120</u>	<u>246,084</u>	<u>191,535</u>	<u>1,080,078</u>	<u>1,078,807</u>
Less amount reported in revenue and support on the statement of activities; costs of direct benefit to donors	-	-	-	(191,535)	(191,535)	(158,819)
Total expenses	<u>\$ 426,339</u>	<u>\$ 216,120</u>	<u>\$ 246,084</u>	<u>\$ -</u>	<u>\$ 888,543</u>	<u>\$ 919,988</u>

See Accompanying Notes to Financial Statements.

Gabriel's Angels, Inc.
Statement of Cash Flows
For the Year Ended April 30, 2024
(With Summarized Comparative Totals for the Year Ended April 30, 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 10,665	\$ 145,095
Adjustments to reconcile change in net assets to net cash from operating activities		
Loan forgiveness	-	-
Depreciation and amortization	-	2,308
Unrealized (gain) loss on investments	(3,639)	(341)
Write off of uncollectible pledges	26,850	43,236
Amortization of operating leases	49,566	61,307
Change in cash surrender value of life insurance	(37,346)	(37,551)
Changes in operating assets and liabilities		
(Increase) decrease in		
Contributions and pledges receivable	(5,920)	(51,968)
Product inventory	-	315
Prepaid expenses and deposits	(407)	(16,689)
Increase (decrease) in		
Accounts payable	4,294	(4,817)
Accrued payroll and related expenses	(8,816)	17,811
Deferred revenue	11,000	4,000
Principal reduction of operating lease liability	(57,598)	(53,930)
Net cash provided (used) by operating activities	<u>(11,351)</u>	<u>108,776</u>
Cash Flows from Investing Activities		
Cash paid to cash value of life insurance	-	(102,692)
Net cash used by investing activities	<u>-</u>	<u>(102,692)</u>
Net Change in Cash and Cash Equivalents	(11,351)	6,084
Cash and Cash Equivalents, Beginning of Year	466,652	460,568
Cash and Cash Equivalents, End of year	<u>\$ 455,301</u>	<u>\$ 466,652</u>

See Accompanying Notes to Financial Statements.

Gabriel's Angels, Inc.
Notes to Financial Statements
For the Year Ended April 30, 2024
(With Summarized Comparative Totals for the Year Ended April 30, 2023)

Note 1 - Principal Business Activity and Significant Accounting Policies

Organization

Gabriel's Angels, Inc. (the Organization) was incorporated under the laws of the State of Arizona in May 2000. The Organization is a not-for-profit organization dedicated to providing healing pet therapy and animal assisted activities to abused, neglected and at-risk children, nurturing their ability to love and trust, and thereby freeing them from the cycle of violence. The Organization provides free services, with registered, volunteer Pet Therapy teams, to Title 1 Schools and various crisis shelters and community organizations throughout Maricopa County, Southern and Northern Arizona.

The Organization funds its programs and operations through grants, contributions and fundraising activities.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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 the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization, at times, maintains cash at financial institutions in excess of the \$250,000 per bank limit insured by the Federal Deposit Insurance Corporation (FDIC). The Organization manages this risk by maintaining funds at high level financial organizations and management believes it is not exposed to significant credit risk in its cash accounts.

Gabriel's Angels, Inc.
Notes to Financial Statements
For the Year Ended April 30, 2024
(With Summarized Comparative Totals for the Year Ended April 30, 2023)

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially 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 the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a 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. 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.

Contributions and Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as pledges receivable at net realizable value. Unconditional promises to give that are expected to be collected in periods greater than one year are recorded at the net present value of expected cash flows. The Organization provides an allowance for estimated uncollectible pledges.

Pledges receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on pledges receivable using the allowance method. The allowance is based on experience, knowledge of the donors and the industry and other circumstances which may affect the ability of donors to meet their obligations. It is the Organization's policy to charge off uncollectible pledges when management determines the receivable will not be collected. An allowance for doubtful pledges of \$10,000 is recorded as a reduction of pledges receivable at both April 30, 2024 and 2023. The Organization wrote off uncollectable pledges of approximately \$26,850 and \$43,236 during the years ended April 30, 2024 and 2023, respectively.

Investments

Investment purchases are recorded at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment gain/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Donated Assets and Services

Donated assets, services and other non-cash donations are recorded as contributions at their estimated values at the date of donation. Donated services and time are recognized as contributions if the services create or enhance non-financial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization pays for most services requiring specific expertise. However, if such services are donated and the value is ascertainable, the fair market value is reflected in the financial statements as revenue and expense. The Organization had not significant donated assets or services in 2024 or 2023 reported in the financial statements.

Gabriel's Angels, Inc.
Notes to Financial Statements
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(With Summarized Comparative Totals for the Year Ended April 30, 2023)

In addition, the Organization received numerous hours of donated services by volunteers dedicated to the Organization's programs. The fair value of these donated services is not recognized in the statement of activities since they do not meet the criteria for recognition under generally accepted accounting principles.

Property and Equipment

All acquisitions of property and equipment in excess of \$500 and a useful life of more than one year are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation and amortization is provided on the straight-line method over the estimated useful lives of the respective assets. The Organization reviews its valuation of property and equipment whenever events indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recorded when the sum of the future cash flows is less than the carrying amount of the asset. An impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. No impairment losses were recorded in 2024 and 2023.

Functional Expense Allocations

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and Functional Expenses. Directly identifiable expenses are charged to programs and supporting services. Certain costs have been allocated among the programs and support services benefited based on management's estimate of employee hours devoted to each function.

Estimates

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

Gabriel's Angels, Inc.
Notes to Financial Statements
For the Year Ended April 30, 2024
(With Summarized Comparative Totals for the Year Ended April 30, 2023)

Income Tax Status

Gabriel's Angels, Inc. is a not-for-profit organization exempt from federal and state income taxes under the provisions of the Internal Revenue Code Section 501 (c)(3). Income determined to be unrelated business taxable income may be taxable to the Organization. The Organization did not report any unrelated business taxable income for 2024 and 2023. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b) (1)(A)(II) and is classified as an organization other than a private foundation under Section 509(a)(2). At April 30, 2024 and 2023, there were no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Leases

The Organization categorizes leases with contractual terms longer than twelve months as either operating or finance leases. Finance leases are generally those leases that allow the Organization to substantially utilize or pay for the entire asset over its estimated useful life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the balance sheet.

Certain lease contracts include obligations to pay for other services such as operations, property taxes and maintenance. For leases of property, the services are accounted for separately and payments are allocated to the lease and other services components based on stand-alone prices.

Lease liabilities are recognized at the present value of the fixed lease payments, using a discount rate based on similarly secured borrowings available. Right of use assets are recognized based on the initial present value of the fixed lease payments, plus any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase the lease assets, are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

Endowments

The Organization's endowment consists of one fund established under donor restrictions or as designated by the Board of Directors to hold both donor endowments and board designated endowments. As required by generally accepted accounting principles, net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions or board designated endowments.

The State of Arizona adopted the Uniform Prudent Management of Institutional Funds Act (the Act). The Board of Directors of the Organization has interpreted the Act as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets the original value

Gabriel's Angels, Inc.
Notes to Financial Statements
For the Year Ended April 30, 2024
(With Summarized Comparative Totals for the Year Ended April 30, 2023)

of the gifts donated to permanent endowments; the original value of subsequent gifts to permanent endowments; and accumulations to permanent endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by the Act and the policies established by the Board of Directors.

In accordance with the Act, the Organization considers the following factors in making a determination to appropriate or accumulate endowment funds: (a) duration and preservation of the fund; (b) purpose of the organization and the donor-restricted endowment funds; (c) general economic conditions; (d) possible effects of inflation and deflation; (e) expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the Organization.

Subsequent Events

Subsequent events have been evaluated through September 20, 2024 which was the date the Organization's financial statements were available to be issued.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Gabriel's Angels, Inc.
Notes to Financial Statements
For the Year Ended April 30, 2024
(With Summarized Comparative Totals for the Year Ended April 30, 2023)

Note 2 - Investments

The Organization investments entirely consist of debt and equity mutual funds. These funds are open-end with readily determinable fair values based on daily redemption values. The fair values of the Organization's financial assets that are measured on a recurring basis as of April 30, 2024 and 2023, are as follows:

	Fair value hierarchy	2024	2023
Mutual funds:			
Fixed income	Level 1	\$ 27,513	\$ 26,164
US equity	Level 1	12,363	10,814
International equity	Level 1	8,457	7,716
Total		<u>\$ 48,333</u>	<u>\$ 44,694</u>

Note 3 - Contributions and Pledges Receivable

Unconditional promises to give are recorded as contributions and pledges receivable and revenue is recognized when the promise is made by the donor. Pledges are discounted to the anticipated net present value of the future cash flows. Pledges receivable are summarized as follows at April 30:

	2024	2023
Receivables in less than one year	\$ 84,580	\$ 55,206
Receivables in one to five years	104,351	154,655
	188,931	209,861
Discount to net present value at 2.0%	(10,958)	(10,958)
Allowance for uncollectible pledges	<u>(10,000)</u>	<u>(10,000)</u>
Total	<u>\$ 167,973</u>	<u>\$ 188,903</u>

Gabriel's Angels, Inc.
Notes to Financial Statements
For the Year Ended April 30, 2024
(With Summarized Comparative Totals for the Year Ended April 30, 2023)

Note 4 - Availability and Liquidity

The following represents the Organization's financial assets at April 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 455,301	\$ 466,652
Investments	42,323	38,684
Current portion of receivables	84,580	55,206
Cash surrender value, life insurance	411,759	374,413
Less purpose restricted net assets	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 993,963</u>	<u>\$ 934,955</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of expenses (approximately \$250,000). As part of its liquidity plan, Gabriel's Angels maintains the majority of its short-term assets in cash and short-term receivables.

Note 5 - Net Assets with Donor Imposed Restrictions

Net assets are restricted for the following at April 30:

	<u>2024</u>	<u>2023</u>
Implied time restriction on net contributions and pledges receivable	\$ 131,080	\$ 188,903
Piper Grant	-	5,600
Endowment fund-permanent restriction	<u>6,010</u>	<u>6,010</u>
Total net assets with restrictions	<u>\$ 137,090</u>	<u>\$ 200,513</u>

Net assets released from restrictions consisted of \$67,823 and \$44,531 released due to meeting the implied time restrictions on pledges for the years ending April 30, 2024 and 2023, respectively and \$5,600 released in 2024 from the expenditure of purpose restricted contributions.

Gabriel's Angels, Inc.
Notes to Financial Statements
For the Year Ended April 30, 2024
(With Summarized Comparative Totals for the Year Ended April 30, 2023)

Note 6 - Property and Equipment

Property and equipment consisted of the following at April 30:

	<u>2024</u>	<u>2023</u>
Equipment and computers	\$ 17,129	\$ 17,128
Software	8,900	8,900
Furniture	6,496	6,496
Right of Use Assets	125,607	125,607
	<u>158,132</u>	<u>158,131</u>
Accumulated depreciation and amortization	<u>(145,704)</u>	<u>(96,138)</u>
Property and equipment, net	<u>\$ 12,428</u>	<u>\$ 61,993</u>

Note 7 - Endowments

At April 30, 2024 and 2023, net assets with donor-imposed restrictions included permanently restricted net assets of an endowment fund totaling \$6,010. The investment earnings on the endowment are temporarily restricted until appropriated by the Board of Directors. No amounts remain unappropriated at fiscal year-end 2024 and 2023.

Fund Deficiencies

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or the Uniform Prudent Management of Institutional Funds Act (the Act) requires the Organization to retain as a fund of perpetual duration.

Return Objectives and Risk Parameters

The Organization has not formally adopted investment policies for endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period as well as Board designated funds.

Investment Strategies

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns may be achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization has currently invested its endowment fund in a money market fund to achieve its long-term return objectives within prudent risk constraints.

Spending Policy

The Organization has no formally adopted spending policy. Accumulated earnings on the endowment are released from temporarily restricted net assets when appropriated by the Board of Directors.

Net assets in the endowment fund consisted entirely of permanently restricted corpus at April 30, 2024 and 2023.

Gabriel's Angels, Inc.
Notes to Financial Statements
For the Year Ended April 30, 2024
(With Summarized Comparative Totals for the Year Ended April 30, 2023)

Note 8 - Operating Leases

The Organization leases office space under a noncancelable operating lease expiring June 30, 2024. The lease has graduated monthly rent payments beginning with \$4,734 plus tax and variable CAM charges increasing to \$4,876 at the end of the lease term. The initial lease liability and a corresponding right-to-use assets was recorded as of May 1, 2022 in the amount of \$117,744 based on the present value of the lease payments using the estimated incremental borrowing rate of 5%. At April 30, 2024 two payments were remaining on the lease totaling \$9,752.

The Organization also entered into a Xerox lease expiring July 2026. The lease has monthly payments of \$155 over the course of the 48 month lease. The initial lease liability and a corresponding right-to-use assets was recorded as of April 1, 2024 in the amount of \$6,319 based on the present value of the lease payments using the estimated incremental borrowing rate of 8.25%. At April 30, 2024 twenty-seven payments were remaining on the lease totaling \$4,185.

The Organization entered into a mailing equipment lease expiring January 2026. At April 30, 2024, the remaining lease balance was \$580..

A maturity analysis of the annual undiscounted cash flows for the operating leases follows:

Fiscal Year		
2025	\$	11,971
2026		2,130
2027		465
2028		-
Total finance lease payments		14,566
Less amount representing interest		(486)
Net present value of remaining finance leases	\$	14,080