



ARKANSAS
ACCESS TO
JUSTICE
REPRESENTING HOPE

ARKANSAS ACCESS TO JUSTICE FOUNDATION, INC.

**FINANCIAL STATEMENTS -
MODIFIED CASH BASIS**

YEAR ENDED DECEMBER 31, 2023

with

INDEPENDENT AUDITOR'S REPORT



CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1 - 2
Financial Statements:	
Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis	3
Statement of Activities – Modified Cash Basis	4
Statement of Functional Expenses - Modified Cash Basis	5
Statement of Cash Flows - Modified Cash Basis	6
Notes to Financial Statements – Modified Cash Basis	7 - 12

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Arkansas Access to Justice Foundation, Inc.
Little Rock, Arkansas

Opinion

We have audited the accompanying financial statements of Arkansas Access to Justice Foundation, Inc. (a nonprofit Organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2023, and the related statement of activities – modified cash basis, statement of functional expenses – modified cash basis, and cash flow statement – modified cash basis 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 assets, liabilities, and net assets of Arkansas Access to Justice Foundation, Inc. as of December 31, 2023, and its support, revenue, and expenses for the year ended in accordance with the modified cash basis of accounting as described in Note 1.

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 Arkansas Access to Justice Foundation, Inc., 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 Arkansas Access to Justice Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Arkansas Access to Justice Foundation, Inc.'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.

HCT CPAs & Advisors, PLLC

Little Rock, Arkansas
May 3, 2024

FINANCIAL STATEMENTS

ARKANSAS ACCESS TO JUSTICE FOUNDATION, INC.

**STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS -
MODIFIED CASH BASIS
DECEMBER 31, 2023**

Assets

Current Assets:

Cash and Cash Equivalents	\$ 2,925,424
Other Receivable	59
Investments, - at Cost	<u>309,351</u>
Total Current Assets	3,234,834

Property Plant and Equipment:

Office Equipment	16,862
Less: Accumulated Depreciation	<u>(15,257)</u>
Total Property Plant and Equipment	1,605

Other Assets:

Security Deposit	2,108
Donated Assets	1,840
Inventory	77,675
Assets Held by Arkansas Community Foundation, - at Cost	<u>214,636</u>
Total Other Assets	296,259

Operating Lease Right-of-Use Asset, Net

	<u>105,948</u>
Total Assets	<u>\$ 3,638,646</u>

Liabilities and Net Assets

Current Liabilities:

Current Portion of Operating Lease Liability	\$ 22,529
Credit Card Payable	<u>1,617</u>
Total Liabilities	24,146

Operating Lease Liability, Less Current Portion

Net Assets:

Net Assets Without Donor Restrictions	3,479,338
Net Assets With Donor Restrictions	<u>50,570</u>
Total Net Assets	<u>3,529,908</u>
Total Liabilities and Net Assets	<u>\$ 3,638,646</u>

See accompanying notes.

ARKANSAS ACCESS TO JUSTICE FOUNDATION, INC.

**STATEMENT OF ACTIVITIES -
MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Support:			
Participants Income	\$ 1,580,042	\$ -	\$ 1,580,042
Donations	39,934	260,493	300,427
Orphan Funds	-	29,109	29,109
Other Income	18,940	-	18,940
Interest Income	34,478	-	34,478
Dividend Income	14,047	-	14,047
Gain on Sale of Investments	10,814	-	10,814
Loss on Sale of Assets	(6,706)	-	(6,706)
Net Assets Released from Restrictions	299,495	(299,495)	-
Total Revenues	<u>1,991,044</u>	<u>(9,893)</u>	<u>1,981,151</u>
Expenses:			
Program	485,937	-	485,937
Management and General	210,686	-	210,686
Fundraising	35,520	-	35,520
Total Expenses	<u>732,143</u>	<u>-</u>	<u>732,143</u>
Change in Net Assets	1,258,901	(9,893)	1,249,008
Net Assets at Beginning of Year	<u>2,220,437</u>	<u>60,463</u>	<u>2,280,900</u>
Net Assets at End of Year	<u>\$ 3,479,338</u>	<u>\$ 50,570</u>	<u>\$ 3,529,908</u>

See accompanying notes.

ARKANSAS ACCESS TO JUSTICE FOUNDATION, INC.**STATEMENT OF FUNCTIONAL EXPENSES -
MODIFIED CASH BASIS
YEAR ENDED DECEMER 31, 2023**

	Program	Management and General	Fundraising	Total
Advertising	\$ -	\$ 7,105	\$ -	\$ 7,105
Audit & CPA	-	11,367	-	11,367
Bank Charges	-	130	-	130
Board Meeting Expenses	-	12,955	-	12,955
Campaign for Legal Aid Distributions	32,990	-	-	32,990
Courthosue Kiosk Disbursements	178,301	-	-	178,301
Credit Card Processing	-	-	1,363	1,363
Depreciation	-	1,413	-	1,413
Designated Donation Distribution	5,090	-	-	5,090
Direct Mail	-	-	6,379	6,379
Donor Recognition	-	-	693	693
Dues & Subscriptions	-	5,024	-	5,024
Endowment Fees	2,712	-	-	2,712
Event Expenses	-	-	15,277	15,277
Grants Paid	250,000	-	-	250,000
Hope for Justice	2,241	-	-	2,241
Insurance	-	2,282	-	2,282
Janitorial	-	1,086	-	1,086
Meals - Fundraising	-	-	558	558
Miscellaneous	-	10,426	-	10,426
Office Supplies	-	9,950	-	9,950
Outreach/Education	3,249	-	-	3,249
Postage	-	7,654	-	7,654
Pro Bono Outreach Clinics	5,366	-	-	5,366
Professional Services	-	38,087	-	38,087
Rent	-	31,987	-	31,987
Software	-	27,680	-	27,680
Sponsorships	-	-	11,250	11,250
Statewide Pro Bono Portal	5,988	-	-	5,988
Telephone & Internet	-	5,049	-	5,049
Temporary Help	-	14,689	-	14,689
Travel	-	23,802	-	23,802
	<u>\$ 485,937</u>	<u>\$ 210,686</u>	<u>\$ 35,520</u>	<u>\$ 732,143</u>

See accompanying notes.

ARKANSAS ACCESS TO JUSTICE FOUNDATION, INC.

**STATEMENT OF CASH FLOWS -
MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2023**

Cash Flows from Operating Activities:

Change in Net Assets	\$ 1,249,008
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:	
Depreciation	1,413
Amortization of Operating Lease Right-Of-Use Asset	26,685
Gain on Sale of Investments	(10,814)
Loss on Sale of Assets	6,706
Changes in Operating Assets and Liabilities:	
Donated Assets	140
Security Deposit	121
Credit Card Payable	(1,729)
Inventory	(77,675)
Other Receivable	(59)
Operating Lease Liability	<u>(28,741)</u>
Net Cash Provided by Operating Activities	1,165,055
Cash Flows from Investing Activities:	
Proceeds from Sale of Investments	65,202
Purchase of Investments	<u>(53,367)</u>
Net Cash Provided by Investing Activities	<u>11,835</u>
Net Increase in Cash and Cash Equivalents	1,176,890
Cash and Cash Equivalents - Beginning of Year	<u>1,748,534</u>
Cash and Cash Equivalents - End of Year	<u>\$ 2,925,424</u>

See accompanying notes.

ARKANSAS ACCESS TO JUSTICE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS
DECEMBER 31, 2023

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Organization

Arkansas Access to Justice Foundation, Inc. (the “Foundation”) is a non-profit organization located in Little Rock, Arkansas and incorporated under the laws of the State of Arkansas. The Foundation’s mission is to receive interest income generated by deposits in trust accounts for the benefit of clients maintained by attorneys practicing in the State of Arkansas; conducting fundraising; and utilizing revenues received from interest income and fundraising to support programs (1) that promote and support access to the justice system by persons in Arkansas who cannot afford a lawyer and for whom the law does not provide the right to counsel; (2) that educate the public regarding the needs of Arkansans related to meaningful access to the civil justice system; (3) that provide student loans and scholarships for the education of lawyers; (4) that improve the administration of justice in the State of Arkansas; (5) assist in support activities of institutions and organizations which improve the administration of justice, including, but not limited to, the Arkansas Access to Justice Commission, the Center for Arkansas Legal Services, Inc., and Legal Aid of Arkansas, Inc., to fulfill their missions of providing access to justice and legal aid to Arkansans who cannot afford a lawyer and who qualify for legal services; (6) carry out other purposes that may be approved from time to time by the Arkansas Supreme Court. The Foundation is the surviving organization of the merger between the Arkansas IOLTA Foundation and the Arkansas Access to Justice Foundation. Articles of Merger, which incorporated the Supreme Court’s Order and Agreement of Merger between these two organizations, were filed with the Arkansas Secretary of State on December 18, 2013. The merger became effective on January 1, 2014.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. That basis differs from generally accepted accounting principles in that revenues are recognized when received instead of when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

Basis of Presentation

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions.

With Donor Restrictions - Net assets that are restricted by a donor for use for a specific purpose or in a future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions on net assets are permanent in nature. These donor-imposed stipulations neither expire by passage of time nor can be fulfilled or otherwise removed by the Foundation. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

ARKANSAS ACCESS TO JUSTICE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS
DECEMBER 31, 2023

Recently Adopted Accounting Standards

In June 2016, the FASB issued ASU No. 2016-13, *Financial Statements – Credit losses (Topic 326)*. The ASU introduced a new credit loss methodology, *Current Expected Credit Losses (CECL)*, which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to and deferral of the original ASU. ASU 2016-13 became effective for private entities and nonprofit organizations for periods beginning after December 15, 2022.

The CECL methodology utilizes a lifetime “expected credit loss” measurement objective for the recognition of credit losses for loans, held-to maturity securities and other receivables at the time the financial asset is originated and acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. For available-for-sale securities where fair value is less than cost, credit-related impairment, if any, is recognized through an allowance for credit losses and adjusted each period for changes in credit risk.

On January 1, 2023, the Foundation adopted the guidance and the adoption of this standard did not have a material impact on the financial statements.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The estimates and assumptions used in preparing the accompanying financial statements are based on management’s evaluation of the relevant facts and circumstances as of the date of the financial statements. Areas of particular significance to the Foundation are those estimates related to the allocation of functional expenses and incremental borrowing rate used to record the right-of-use assets and operating lease liabilities. Accordingly, actual results could differ from those estimates and assumptions.

Cash and Cash Equivalents

For purposes of the statement of assets, liabilities and net assets - modified cash basis and the statement of cash flows - modified cash basis, the Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Included in cash is \$50,570 of donor-designated funds for 2023. The following is the composition of the cash amounts appearing the financial statements at December 31, 2023:

Cash in Banks	\$ 1,679,599
Securities From Money Market Account	79,812
Certificates of Deposit	<u>1,166,013</u>
Total	<u>\$ 2,925,424</u>

Non-cash activities in 2023 consisted of recording the operating lease right-of-use asset and operating lease liability of \$123,085 and the early termination of the previous office space operating lease agreement right-of-use assets and operating lease liabilities of \$74,487.

ARKANSAS ACCESS TO JUSTICE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS
DECEMBER 31, 2023

Inventory

Inventory consists of kiosks. Inventory is stated at cost until kiosks are installed at courthouses and is revaluated at the lower of cost or net realizable value when necessary. Cost is determined by using the first-in, first-out (FIFO) method.

Property and Equipment

The Foundation records property and equipment at cost and is depreciated over the useful life of each asset. Further, repairs and maintenance are charged to operations as incurred, while improvements that extend the estimated useful lives of assets in service are capitalized. Property and equipment are stated at cost or fair value at date of donation. The Foundation's equipment has a useful life of five to seven years.

It is the Organization's policy to capitalize all assets purchased greater than \$2,500 while expensing all assets purchased under \$2,500. Depreciation expense was \$1,413 for the year ended December 31, 2023.

Leases

The Foundation determines if an arrangement is a lease at inception. Operating leases are included in Operating Lease Right-of-Use Asset, Current Operating Lease Liability, and Noncurrent Operating Lease Liability in the Statement of Assets, Liabilities and Net Assets-Modified Cash Basis. At December 31, 2023, the Company did not have any finance leases.

Right-of-use assets represent the Foundation's right to use an underlying asset for the lease term, and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. The lease liability is measured as the present value of the unpaid lease payments, and the right-of-use asset value is derived from the calculation of the lease liability. Lease payments include fixed and in-substance fixed payments. The Foundation uses its estimated incremental borrowing rate, which is derived from information available at the lease commencement date, in determining the present value of lease payments, since the Foundation does not know the actual implicit rate in its lease. The Foundation gives consideration to its recent debt issuances when calculating its incremental borrowing rate. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Foundation combines lease and non-lease components for all asset groups. The Foundation's lease term includes any option to extend the lease when it is reasonably certain to be exercised based on considering all relevant economic factors.

The Foundation has elected ASC 842's practical expedient for all leases with terms of 12 months or shorter. Under this practical expedient, the Foundation will not apply the recognition requirements of ASC 842 to short-term leases. These short-term lease payments will be expensed monthly, and a right-of-use asset and related lease liability will not be recorded on the balance sheet.

Functional Allocation of Expenses

The cost of providing various programs and other expenses have been summarized in the statement of functional expenses - modified cash basis. Costs that can be identified with the program or support service are charged directly to that category. Management and general expenses include those expenses that are not directly identifiable with any specific program or supporting service but provide for the overall support and direction of the Foundation. Fundraising expenses include expenses that are incurred in soliciting contributions, gifts, and grants.

ARKANSAS ACCESS TO JUSTICE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS
DECEMBER 31, 2023

Contributions Revenue

Unconditional contributions received are reported as increases in net assets without donor-imposed restrictions unless use of the related assets is limited by donor-imposed restrictions. When a restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are reported as revenues with donor restrictions and a reclassification to net assets without donor restrictions is made to reflect the expiration of such restrictions.

Fundraising

The Foundation serves as the lead organizer of an annual statewide private fundraising “Campaign for Legal Aid,” which is operated in coordination with the Center for Arkansas Legal Services (CALS) and Legal Aid of Arkansas (LAA). Campaign activities include corporate solicitations, as well as individual solicitations conducted by email, mail and in person. The Foundation may occasionally hold special events as well. Unless otherwise restricted, funds raised through the Campaign for Legal Aid are distributed to CALS and LAA. Included on the statements of activities - modified cash basis were fundraising expenses of \$35,520.

Income Taxes

The Foundation is a not-for-profit Arkansas corporation, exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (the “Code”) and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code.

The Foundation recognizes accrued interest and penalties associated with uncertain tax positions as part of its income tax provision, if any. The past three years of exempt organization returns, along with the current year return, are subject to potential examination by taxing authorities.

Subsequent Events

The Foundation has evaluated all subsequent events for potential recognition and disclosure through May 3, 2024, the date these financial statements were available to be issued.

Note 2: Investments

Investments at December 31, 2023 are recorded at cost and consist of short-term investments at Stephens, Inc. in the amount of \$309,351 and other investments held at the Arkansas Community Foundation in the amount of \$214,636. At December 31, 2023, the combined cost for these investments was \$523,987.

Note 3: Concentration of Credit Risk

The Foundation maintains cash balances at several financial institutions located in Arkansas. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per customer. At various times during the year and as of December 31, 2023, the Foundation’s deposits in the financial institutions exceeded FDIC insurance limits. At December 31, 2023, the Foundation’s uninsured bank balances were approximately \$38,400. However, management does not believe the Foundation is subject to any unusual credit risk beyond the normal risk associated with commercial banking relationships.

ARKANSAS ACCESS TO JUSTICE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS
DECEMBER 31, 2023

Note 4: Liquidity and Availability

The Foundation’s revenues from monthly Interest on Lawyer Trust Account (IOLTA) revenues have historically been sufficient to cover operating needs. Any revenues that exceed the Foundation’s operating and liquidity needs are typically set aside for grant making for the following year. The following reflects the Foundation’s financial assets as of December 31, 2023, reduced by amounts not available for general use within one year of the balance sheet date because of donor-imposed restrictions.

Cash and Cash Equivalents	\$ 2,925,424
Investments - Cost	309,351
Assets Held by Arkansas Community Foundation - Cost	214,636
Other Assets	<u>4,007</u>
Total Financial Assets	3,453,418
Less Unavailable for General Expenditures within One Year:	
Cash with Donor-Imposed Restrictions	(50,570)
Other Assets	<u>(4,007)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 3,398,841</u>

Note 5: Net Assets

Without Donor Restrictions

The Board has designated certain investments to be used only for the support of program activities. The value of the assets designated by the Board as of December 31, 2023 was \$788,398 and is included in net assets without donor restrictions in the accompanying financial statements.

With Donor Restrictions

Net assets with donor restrictions consist of contributions received with donor-imposed restrictions limiting the use of contributed assets to a specific purpose. The contributions are transferred to without donor restriction net assets in the period the donor-stipulated purpose has been fulfilled. Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors in the amount of \$299,495 during 2023. The following reflects the Foundation’s net asset with donor restrictions that are available as of December 31, 2023:

Center for Arkansas Legal Services & Legal Aid of Arkansas	\$ 713
Orphan	48,507
Scipio Jones	<u>1,350</u>
Net Assets with Donor Restrictions	<u>\$ 50,570</u>

The Foundation began receiving funds in 2015, pursuant to a rule change adopted by the Arkansas Supreme Court, which provides for attorneys or firms with unclaimed or unidentifiable client trust account funds to remit those to the Foundation if they are unable to identify or locate the rightful owner. The provision permits attorneys who have remitted funds under the rule to seek a refund if, within two years of payment, the rightful owner of the funds is identified or located. Because the Foundation is required to maintain sufficient reserves to pay any such claims, the Foundation treats amounts received under the rule as restricted for two years from the date of receipt and releases those restrictions after that.

ARKANSAS ACCESS TO JUSTICE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS
DECEMBER 31, 2023

Note 6: Operating Lease

The Foundation leases office space used in its operations under an operating lease agreement. Payments were \$2,334 beginning February 1, 2017 with a payment increase annually by two percent (2%) each year. The Foundation terminated the lease on March 31, 2023 and entered into a new operating lease agreement for office space. Payments are \$2,108 beginning April 1, 2024 with a payment increase annually by three percent (3%) each year. The lease expires March 31, 2028. Lease expense was \$31,987 for the year ended December 31, 2023.

Future minimum maturities of lease liabilities are as follows at December 31, 2023:

2024	\$ 25,865
2025	26,641
2026	27,440
2027	28,264
2028	<u>7,118</u>
Total Lease Payments	115,328
Less Imputed Interest	<u>(8,207)</u>
Total Lease Obligations	107,121
Less Current Operating Lease Liability	<u>(22,529)</u>
Long-Term Operating Lease Liability, Less Current Portion	<u>\$ 84,592</u>

Average operating lease term and discount rate on December 31, 2023, was as follows:

Weighted Average Remaining Lease Term (Years)	4.25
Weighted Average Discount Rate	3.52%

The following summarizes cash paid for operating lease liabilities and other non-cash information as of December 31, 2023:

Cash paid for amounts included in the measurement of operating lease liability	\$ 26,633
Right-of-use assets obtained in exchange for operating lease obligations	\$ 120,977