

Foundation for Opioid Response Efforts

Financial Statements

March 31, 2023 and 2022

Independent Auditors' Report

To the Board of Directors Foundation for Opioid Response Efforts

Opinion

We have audited the accompanying financial statements of the Foundation for Opioid Response Efforts ("FORE"), which comprise the statements of financial position as of March 31, 2023 and 2022 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation for Opioid Response Efforts as of March 31, 2023 and 2022 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 the Foundation for Opioid Response Efforts and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Policy

As discussed in Note 2 to the financial statements, FORE adopted Financial Accounting Standards ("FASB") Topic 842, Leases, which resulted in the recognition of a right of use asset and related lease liability effective April 1, 2022. 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 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 FORE's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 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 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 FORE'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 FORE'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.

PKF O'Connor Davies, LLP

February 15, 2024

Foundation for Opioid Response Efforts

Statements of Financial Position

	March 31	
	2023	2022
ASSETS		
Cash	\$ 1,532,481	\$ 581,722
Investments made in advance	58,110	3,000,000
Investments	101,416,263	117,742,499
Prepaid expenses	27,856	11,829
Prepaid excise tax	76,398	-
Security deposit	28,636	28,636
Right of use assets - operating leases, net	705,630	-
Total Assets	\$ 103,845,374	\$ 121,364,686
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable, net	\$ 6,733,983	\$ 7,643,190
Accounts payable and accrued expenses	167,873	74,615
Federal excise tax liability	-	5,003
Deferred federal excise tax liability	71,038	228,470
Lease liability	741,682	-
Total Liabilities	7,714,576	7,951,278
Net assets without donor restrictions	96,130,798	113,413,408
	\$ 103,845,374	\$ 121,364,686

See notes to financial statements

Foundation for Opioid Response Efforts

Statements of Activities

	March 31	
	2023	2022
INVESTMENT RETURN		
Dividends and interest	\$ 2,123,945	\$ 2,121,560
Realized gain on investments	583,017	7,400,633
Unrealized (loss) gain on investments	(11,552,978)	623,468
	(8,846,016)	10,145,661
Less direct investment expenses	564,579	624,878
Investment Return	(9,410,595)	9,520,783
 EXPENSES		
Programs	7,250,862	11,714,402
Operations and governance	657,529	521,818
Investment oversight	122,457	116,537
Federal excise tax (benefit) expense	(1,401)	121,113
Deferred federal excise tax (benefit) expense	(157,432)	8,086
Total Expenses	7,872,015	12,481,956
Change in Net Assets	(17,282,610)	(2,961,173)
 NET ASSETS		
Beginning of year	113,413,408	116,374,581
End of year	\$ 96,130,798	\$ 113,413,408

See notes to financial statements

Foundation for Opioid Response Efforts

Statement of Functional Expenses For the Year Ended March 31, 2023

	Programs	Operations and Governance	Investment Oversight	Total
Grants, net of refunds of \$2,135	\$ 5,861,774	\$ -	\$ -	\$ 5,861,774
Salaries and benefits	819,233	392,105	106,703	1,318,041
Occupancy	68,921	66,630	8,765	144,316
Consulting and other professional fees	326,518	-	-	326,518
Legal fees	-	28,841	-	28,841
Auditing and accounting fees	-	99,500	-	99,500
Insurance	-	25,163	-	25,163
Dues and subscriptions	-	18,676	-	18,676
Travel and meeting	51,036	-	-	51,036
Office expenses	28,783	13,775	3,750	46,308
Bank charges and filing fees	-	938	-	938
Honorariums	69,201	-	-	69,201
Information technology	24,866	11,901	3,239	40,006
Conference sponsorship	530	-	-	530
Total	<u>\$ 7,250,862</u>	<u>\$ 657,529</u>	<u>\$ 122,457</u>	<u>\$ 8,030,848</u>

See notes to financial statements

Foundation for Opioid Response Efforts

Statement of Functional Expenses For the Year Ended March 31, 2022

	Programs	Operations and Governance	Investment Oversight	Total
Grants	\$ 10,577,839	\$ -	\$ -	\$ 10,577,839
Salaries and benefits	626,430	357,609	102,761	1,086,800
Occupancy	56,671	32,352	9,296	98,319
Consulting and other professional fees	312,700	-	-	312,700
Legal fees	-	1,542	-	1,542
Auditing and accounting fees	-	59,350	-	59,350
Insurance	-	25,077	-	25,077
Dues and subscriptions	-	16,659	-	16,659
Travel and meeting	6,517	-	-	6,517
Office expenses	14,290	8,155	2,345	24,790
Bank charges and filing fees	-	4,080	-	4,080
Honorariums	56,200	-	-	56,200
Information technology	13,755	7,827	2,135	23,717
Conference sponsorship	50,000	-	-	50,000
Amortization	-	9,167	-	9,167
Total	<u>\$ 11,714,402</u>	<u>\$ 521,818</u>	<u>\$ 116,537</u>	<u>\$ 12,352,757</u>

See notes to financial statements

Foundation for Opioid Response Efforts

Statement of Cash Flows

	Year Ended March 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (17,282,610)	\$ (2,961,173)
Adjustments to reconcile change in net assets to net cash from operating activities		
Amortization	-	9,167
Unrealized loss (gain) on investments	11,552,978	(623,468)
Realized gain on investments	(583,017)	(7,400,633)
Amortization of right-of-use assets - operating leases	113,222	-
Amortization of imputed interest - leases payable	19,394	-
Deferred federal excise tax	(157,432)	8,086
Discount to present value	219,560	(237,141)
Change in operating assets and liabilities		
Prepaid expenses	(16,027)	25,801
Prepaid excise tax	(76,398)	-
Grants payable	(1,128,767)	3,772,210
Accounts payable and accrued expenses	93,258	(9,030)
Federal excise tax liability	(5,003)	(36,260)
Payments on operating lease payable	(96,564)	-
Net Cash from Operating Activities	(7,347,406)	(7,452,441)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(54,851,973)	(87,707,291)
Investments made in advance	2,941,890	(3,000,000)
Proceeds from sale of investments	57,671,727	98,474,945
Change in money market	2,536,521	(925,506)
Net Cash from Investing Activities	8,298,165	6,842,148
Net Change in Cash and Cash Equivalents	950,759	(610,293)
CASH AND CASH EQUIVALENTS		
Beginning of year	581,722	1,192,015
End of year	\$ 1,532,481	\$ 581,722
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Federal excise and other taxes paid	\$ 80,000	\$ 185,000

See notes to financial statements

Foundation for Opioid Response Efforts

Notes to Financial Statements
March 31, 2023 and 2022

1. Organization

Foundation for Opioid Response Efforts (“FORE”) (formerly known as Orchid Solutions Foundation) is a private not-for-profit organization formed on March 27, 2018 with the specific and primary purpose to engage in charitable and educational activities.

On March 30, 2018, McKesson Corporation (“McKesson”) pledged to give a \$100 million gift to FORE for the specific purpose of addressing the opioid epidemic, which was received in fiscal year 2019.

Effective June 12, 2018, FORE changed its name from Orchid Solutions Foundation to Foundation for Opioid Response Efforts to better reflect its mission.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-02, Leases (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset.

FORE adopted the requirements of the new standard effective April 1, 2022, using the modified retrospective transition method, which applies the provisions of the standard at the effective date without any adjustment to the comparative periods presented. FORE adopted the following practical expedients and elected the following accounting policies related to this standard: Carry forward of historical lease classifications and accounting treatment.

Accordingly, FORE will recognize lease payments on a straight-line basis over the lease term and variable payments in the period when the corresponding obligation is incurred. As a result of the adoption of the new lease accounting guidance, on April 1, 2022, FORE recognized a lease liability of \$818,852 that represents the present value of the remaining operating lease payments of \$895,159, discounted with risk free interest rates using the treasury bond rate for 5 years of 2.50% and right of use (“ROU”) assets of \$818,852.

Foundation for Opioid Response Efforts

Notes to Financial Statements
March 31, 2023 and 2022

2. Summary of Significant Accounting Policies (*continued*)

Recent Accounting Pronouncements (continued)

The standard had a material impact on FORE's statement of financial position but did not have an impact on its statements of activities and cash flows. The most significant impact was the recognition of the ROU assets and lease liability for operating leases.

Cash and Cash Equivalents

Cash and cash equivalents represent short-term investments with maturities of three months or less, at time of purchase except for those short-term investments managed by FORE's investment managers as part of their long-term investment strategies.

Investments Made in Advance

At times, FORE will transfer cash to an investment fund which has an effective subscription date of the first day of the following month. These amounts are reported as "Investments made in advance".

Fair Value Measurements

FORE follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Pursuant to U.S. GAAP guidance, alternative investments, where fair value is measured using a Net Asset Value ("NAV") (or its equivalent) are not categorized within the fair value hierarchy.

Investments Valuation and Income Recognition

Investments are carried at fair value. The fair value of alternative investments has been estimated using the NAV as reported by the management of the respective alternative investment fund. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Foundation for Opioid Response Efforts

Notes to Financial Statements

March 31, 2023 and 2022

2. Summary of Significant Accounting Policies (*continued*)

Investments Valuation and Income Recognition

Securities are subject to various investment risks that can determine their value, such as market, economic, industry, company, credit, liquidity and inflation risks. Due to the levels and types of risk associated with certain securities and the uncertainties related to changes in the value of those securities, it is possible that changes in market or other conditions in the near term or other risk factors could materially affect the value of the investments reported in the financial statements.

Investments Risks and Uncertainties

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale.

Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the inherent uncertainty of valuations, the estimated fair values of alternative investments may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

Investment Expenses

Investment expenses on the statements of activities consist of foreign taxes and fees paid directly to FORE's investment advisors and custodians.

Website Development

Website development is carried at cost. Amortization is recorded using the straight-line method over the estimated useful life of the asset, which is 3 years. Physical assets acquired with costs that exceed \$10,000 and having a period of benefit in excess of one year are capitalized.

Website development costs consist of all costs incurred to develop the website. As of March 31, 2023 it has been fully amortized.

Foundation for Opioid Response Efforts

Notes to Financial Statements
March 31, 2023 and 2022

2. Summary of Significant Accounting Policies *(continued)*

Presentation of Net Assets

Net assets are categorized as without donor restrictions and with donor restrictions.

Without donor restrictions - Resources that are fully available at the discretion of management and the Board of Directors (the Board), for use in activities within FORE's mission.

With donor restrictions - Funds that FORE may use in accordance with donor's restrictions for specific purposes or upon the passage of time or require FORE to maintain them in perpetuity.

All of FORE's net assets were without donor restriction as March 31, 2023 and 2022.

Functional Allocation of Expenses

The costs of providing various programs and related supporting services have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among programs and supporting services. These expenses include salaries and benefits, occupancy, and consulting and other professional fees. The allocation of cost to FORE's activities is based on the percentage of time spent by employees on the various activities. Cost is calculated by applying the percentage of an employee's time spent on an activity to compensation, benefits and certain operating expenses.

Grant Expenditures

Grant expenditures are recognized in the period the grant is approved, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the term of the conditions.

Accounting for Uncertainty in Income Taxes

FORE recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that FORE had no uncertain tax positions that would require financial statement recognition or disclosure. FORE is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to fiscal year 2020.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is February 15, 2024.

3. Federal Excise Tax

FORE is a private foundation as defined in Section 509(a) of the Internal Revenue Code. FORE is subject to a Federal excise tax of 1.39% on its net investment income, as defined, for tax purposes.

Foundation for Opioid Response Efforts

Notes to Financial Statements

March 31, 2023 and 2022

3. Federal Excise Tax *(continued)*

Deferred taxes principally arise from differences between the cost and fair value of investments where aggregate fair value exceeds cost and are calculated using a using a 1.39% rate at March 31, 2023 and 2022.

FORE is required to make minimum distributions in accordance with a formula based on undistributed income as determined under IRC Section 4942(c). Minimum distributions were met for the years ended March 31, 2023 and 2022.

4. Concentration of Credit Risk

Financial instruments that potentially subject FORE to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit, and investments in its investment portfolio.

FORE does not believe that a significant risk of loss due to the failure of a financial institution presently exists. The investment portfolio is diversified by type of investments and industry concentrations with the intention that no individual investment, investment advisor, investment manager or group of investments should represent a significant concentration of credit risk. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000 (\$250,000 for cash holdings). At times during the year cash and investment balances may exceed the FDIC and the SIPC limit. As of March 31, 2023 and 2022, FORE's uninsured cash and cash equivalents on deposit totaled approximately \$1,340,500 and \$3,331,700. As of March 31, 2023 and 2022, FORE uninsured investment holdings totaled approximately \$100,916,200 and \$117,242,500.

Foundation for Opioid Response Efforts

Notes to Financial Statements
March 31, 2023 and 2022

5. Fair Value Measurements *(continued)*

(*) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

Information regarding alternative investments measured at fair value using NAV (or its equivalent) a practical expedient at March 31, 2023, together with a summary of certain provisions affecting their liquidity, is as follows:

	Fair Value	Unfunded Commitments	Frequency	Redemption Notice Period
Hedge Funds				
Global long/short (see "a" below)	\$ 1,197,429	\$ -	Monthly	60 days
Real estate (see "b" below)	2,641,377	-	Quarterly	95 days
Private real estate (see "c" below)	2,889,031	96,047	**	**
Venture capital (see "d" below)	2,456,036	797,313	**	**
Private equity funds (see "e" below)	26,118,394	10,199,574	**	**
	<u>\$ 35,302,267</u>	<u>\$ 11,092,934</u>		

** These investments are illiquid.

- a. This category includes investments with the objective of achieving capital appreciation by investing primarily in long or short positions of publicly-traded and private companies across sectors globally.
- b. This category includes investments that engage in the business of acquiring, owning, holding for investment and investing in or engaging in activities related to investments in real estate assets. The investments are private, perpetual life, open-end, commingled investment funds.
- c. This category includes an investment exclusively in value-added multifamily real estate assets located throughout the U.S. and may opportunistically invest in a limited number of multifamily development assets. The fund seeks to invest in selective high opportunity sectors of the U.S. real estate market, with a focus on acquiring value-add assets that can be improved through intensive asset management and targeted capital investment. The fund strategy emphasizes the creation of substantial incremental value and operating profits at the asset level. Distributions are received through the liquidation of the underlying assets of the funds.
- d. This category includes investments focused on investing in venture partnerships that invest in privately-held technology, media, telecommunication, life science and biotechnology companies. Distributions are received through the liquidation of the underlying assets of the funds.
- e. This category includes private equity investments. These are long-term investments that cannot be redeemed at the discretion of FORE. Instead, distributions are received through the liquidation of the underlying assets of the funds.

Foundation for Opioid Response Efforts

Notes to Financial Statements
March 31, 2023 and 2022

6. Liquidity and Availability of Financial Assets

FORE's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position were as follows for March 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial Assets:		
Cash and cash equivalents	\$ 1,532,481	\$ 581,722
Investments made in advance	58,110	3,000,000
Investments	<u>101,416,263</u>	<u>117,742,499</u>
Total Financial Assets	103,006,854	121,324,221
Less: Contractual or donor imposed restrictions		
Illiquid investments	<u>31,463,461</u>	<u>26,539,227</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 71,543,393</u>	<u>\$ 94,784,994</u>

As part of FORE's liquidity management strategy, FORE structures its financial assets to be available as its grant payments and expenses come due. The withdrawals are adjusted based on grants and direct charitable expenditures to be disbursed and other factors affecting available cash such as capital calls on investments, investment income and capital distributions, general operating expenses, program costs and other factors affecting available cash.

7. Employee Benefit Plans

During July 2019, FORE established a 401(k) Plan for the benefit of all of its full-time employees that have been employed for a minimum of six months. FORE contributes 3% of a staff members' salary in accordance with the IRS limitations. FORE contributed \$24,353 and \$27,018 to the 401(k) Plan for the years ended March 31, 2023 and 2022.

8. Website Development

Website development consisted of the following at March 31:

	<u>2023</u>	<u>2022</u>
Website development	\$ 27,500	\$ 27,500
Less accumulated amortization	<u>27,500</u>	<u>27,500</u>
	<u>\$ -</u>	<u>\$ -</u>

Amortization expense amounted to \$0 and \$9,167 for the years ended March 31, 2023 and 2022.

Foundation for Opioid Response Efforts

Notes to Financial Statements
March 31, 2023 and 2022

9. Grants Payable

FORE has entered into grant commitments with certain organizations. Grants payable in more than one year are discounted to their present value at the time the grants are made using an interest rate of 1.35 – 3.67%. Payments to these organizations at March 31 are to be disbursed as follows:

	2023	2022
2023	\$ -	\$ 1,066,122
2024	1,433,833	2,939,520
2025	691,248	3,887,693
2026	4,639,487	-
Total Grants	6,764,568	7,893,335
Less discount to present value	30,585	250,145
Net Grants Payable	<u>\$ 6,733,983</u>	<u>\$ 7,643,190</u>

During 2023, FORE approved conditional grants with a payable balance totaling approximately \$3,719,000, which are not reflected in the above table. Such amounts will be expensed when the conditions have been met.

10. Commitments

FORE leases office space on 110 West 40th in New York, NY. This lease was extended through December 31, 2024. Effective November 1, 2023, FORE amended the lease, extending it until December 31, 2028.

FORE amortizes the operating lease right-of-use assets over the life of the lease agreements. Right-of-use assets consists of the following at March 31, 2023:

ROU assets - operating leases	\$ 818,852
Less: accumulated amortization	<u>(113,222)</u>
	<u>\$ 705,630</u>

FORE evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent FORE's right to use underlying assets for the lease term, and the lease liabilities represent FORE's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. FORE has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of April 1, 2022 was 2.50%.

Foundation for Opioid Response Efforts

Notes to Financial Statements
March 31, 2023 and 2022

10. Commitments (*continued*)

Rent expense for the years ended March 31, 2023 and 2022 was \$144,316 and \$98,319. Cash paid for operating leases for the years ended March 31, 2023 and 2022 amounted to \$96,564 and 96,398.

The future minimum rental payments for FORE under the lease agreement are as follows:

2024	\$ 106,720
2025	139,064
2026	142,540
2027	146,104
2028 and thereafter	<u>264,166</u>
Total undiscounted operating lease payments	798,594
Less: Present value discount	<u>(56,913)</u>
Present value of operating lease liabilities	<u>\$ 741,682</u>

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