

**OREGON ADAPTIVE SPORTS  
(A Nonprofit Corporation)**

**FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

**OREGON ADAPTIVE SPORTS**  
**(A Nonprofit Corporation)**

**YEAR ENDED SEPTEMBER 30, 2018**

**BOARD OF DIRECTORS**

**President**

Neal Hueske

**Vice President**

Jason Epple

**Secretary**

Karen Cammack

**Directors**

Colleen Dougherty

Randy Norris

Gail Wilson Webber

Deena Cook

Eric Ballinger

Jason Montoya

Todd Prior

Geoffrey Babb

**Executive Director**

Pat Addabbo

**Office**

63025 O.B. Riley Road, Suite 12

Bend, OR 97703

(541) 306-4774

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(A Nonprofit Corporation)**

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**YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

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To the Board of Directors  
Oregon Adaptive Sports  
Bend, Oregon

## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

We have reviewed the accompanying financial statements of Oregon Adaptive Sports (a nonprofit corporation), which comprise the statement of financial position as of September 30, 2018, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion

### **Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

### **Accountants' Responsibility**

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**Summarized Comparative Information**

We previously reviewed Oregon Adaptive Sports September 30, 2017 financial statements and in our conclusion dated, August 14, 2018, we stated that based on our review, we were not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended September 30, 2017, for it to be consistent with the reviewed financial statements from which it has been derived.

SGA CPAs & Consultants, LLP

SGA CPAs & Consultants, LLP  
Bend, Oregon

March 13, 2019

## **FINANCIAL STATEMENTS**

**OREGON ADAPTIVE SPORTS**  
**(A Nonprofit Corporation)**

**STATEMENT OF FINANCIAL POSITION**

**SEPTEMBER 30,**

	2018	2017
<b>ASSETS</b>		
Current assets		
Cash	\$ 130,119	\$ 129,971
Accounts receivable	33,717	20,617
Other current assets	6,188	2,740
Total Current Assets	170,024	153,328
Capital assets, net depreciation of \$103,626 and \$83,393 for 2018 and 2017, respectively	71,957	82,400
<b>TOTAL ASSETS</b>	<b>\$ 241,981</b>	<b>\$ 235,728</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 2,154	\$ 5,025
Credit card liability	673	1,862
Accrued expense		2,147
Total Current Liabilities	2,827	9,034
Total Liabilities	2,827	9,034
Net Assets		
Unrestricted		
Undesignated	139,154	126,694
Board designation - reserve fund	100,000	100,000
Total Net Assets	239,154	226,694
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 241,981</b>	<b>\$ 235,728</b>

See accompanying notes and independent review report.

**OREGON ADAPTIVE SPORTS**  
**(A Nonprofit Corporation)**

**STATEMENT OF ACTIVITIES**

**YEARS ENDED SEPTEMBER 30, 2018 AND**  
**SUMMARIZED TOTALS FOR YEAR ENDED SEPTEMBER 30, 2017**

	2018	2017
	Unrestricted	Total
<b>SUPPORT AND REVENUES</b>		
Support		
Contributions	\$ 214,195	\$ 163,633
Grants	53,240	49,000
Total Support	267,435	212,633
Revenues		
Program fees, net of discounts & scholarships of \$64,040 and \$58,229 for 2018 and 2017, respectively	50,125	40,741
Special events, net of expenses of \$33,099 and \$109,995 for 2018 and 2017, respectively	79,152	43,071
Miscellaneous income	7,717	12,051
Investment income	45	49
Total Revenues	137,040	95,913
Total Support and Revenues	404,474	308,546
<b>EXPENSES</b>		
Program services	292,655	259,645
General and administrative	52,324	133,261
Fundraising	47,035	4,476
Total Expenses	392,014	397,382
Change in Net Assets	12,460	(88,836)
Net Assets - beginning of year	226,694	315,530
Net Assets - end of year	\$ 239,154	\$ 226,694

See accompanying notes and independent review report.



**OREGON ADAPTIVE SPORTS**  
**(A Nonprofit Corporation)**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEARS ENDED SEPTEMBER 30, 2018 AND  
SUMMARIZED TOTALS FOR YEAR ENDED SEPTEMBER 30, 2017**

	2018			2017	
	Health and Welfare	Management and General	Fundraising	Total	Total
Personnel costs	\$ 166,621	\$ 32,223	\$ 32,223	\$ 231,067	\$231,639
Bank charges and merchant fees	686		4,727	5,413	3,520
Bad debt expense	934			934	1,335
Communications and marketing	8,656		4,328	12,984	20,532
Depreciation	19,724	509		20,233	18,059
Dues, licenses and fees	34,924	1,281		36,205	34,447
Food, parties, gifts and appreciation	7,501	3,742	612	11,855	13,446
Insurance	11,943	550	550	13,043	8,764
Miscellaneous expenses		2,571		2,571	1,273
Professional fees	4,596	6,374	1,149	12,119	12,245
Occupancy	9,743	2,104	2,104	13,951	12,551
Supplies and equipment	9,927	1,400		11,327	14,752
Travel	12,033	228		12,261	12,938
Workers compensation	5,367	1,342	1,342	8,051	11,881
<b>Total expenses</b>	<b>\$ 292,655</b>	<b>\$ 52,324</b>	<b>\$ 47,035</b>	<b>\$ 392,014</b>	<b>\$397,382</b>

See accompanying notes and independent review report.

**OREGON ADAPTIVE SPORTS**  
**(A Nonprofit Corporation)**

**STATEMENT OF CASH FLOWS**

**SEPTEMBER 30,**

	2018	2017
Cash flows from operating activities		
Change in net assets	\$ 12,460	\$ (88,836)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	20,233	18,059
Increase in:		
Accounts receivable	(13,100)	(4,699)
Prepaid expenses	(3,447)	3,335
Decrease in:		
Accounts payable	(2,871)	4,384
Accrued expenses	(2,147)	2,147
Credit card liability	(1,189)	(594)
	9,939	(66,204)
Cash provided by (used in) operating activities		
Cash flows from investing activities		
Acquisition of capital assets	(9,791)	(28,294)
Cash used in investing activities	(9,791)	(28,294)
Net increase (decrease) in cash and cash equivalents	148	(94,498)
Cash and cash equivalents - beginning of year	129,971	224,469
Cash and cash equivalents - end of year	\$ 130,119	\$ 129,971

See accompanying notes and independent review report.

**OREGON ADAPTIVE SPORTS**  
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**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

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

**Organization and Nature of Activities**

Oregon Adaptive Sports (the Organization) operates for the purpose of providing children and adults with disabilities access, education, assistance and specialized equipment for experiencing outdoor recreational sports in the State of Oregon at a reasonable cost. The Organization's support comes primarily from donor contributions and grants.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, "Not for Profit Entities". Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- *Unrestricted net assets* – represent expendable funds that are available for support to the Organization's operations. Certain of these amounts have been designated by the Board of Directors for various purposes.
- *Temporarily restricted net assets* – consist of contributions that have been restricted by the donor for specific purposes or are not available for use until a specific time.
- *Permanently restricted net assets* – consist of contributions with donor restrictions that stipulate the resources be maintained permanently, but permit the Organization to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes.

The Organization had no temporarily or permanently restricted net assets as of September 30, 2018.

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the Organization considers all cash investments with maturity at the time of purchase of three months or less to be cash.

**OREGON ADAPTIVE SPORTS**  
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**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Capital Assets**

Capital assets acquired by the Organization are considered to be owned by the Organization. However, state funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of such assets. Expenditures in excess of \$500 are capitalized. Capital assets are reported at cost or fair market value if donated. Capital assets are depreciated using the straight-line method over estimated useful lives of the assets, ranging from five to ten years.

**Support and Revenue**

Grants are reported as unrestricted support unless they are received with grantor imposed restrictions. When a grantor imposed restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions whose restrictions are satisfied within the same reporting period are reported as unrestricted contributions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, and would typically need to be purchased if not provided by the donation, are recorded at their fair values in the period received.

**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services. The Organization allocates indirect expenses of administrative overhead and other allocable costs to supporting service departments based on various direct costs and other information. The Organization's management reviews and updates these allocations on an annual basis.

**Use of Estimates**

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

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**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Income Taxes**

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. As a result, no provision for federal or state income taxes has been made.

The Organization is required to evaluate tax positions taken and to recognize a tax liability if an uncertain tax position has been taken that more likely than not be sustained upon examination by taxing authorities. Areas that taxing authorities consider when examining tax returns for tax exempt entities include, but are not limited to, tax-exempt status and the existence of unrelated business income. The Organization does not believe it has any uncertain tax positions with respect to these or other matters and has not recorded any unrecognized tax benefits or liabilities for the years ended September 30, 2018 and 2017.

The Organization's Federal and Oregon tax returns are generally open for examination for three years following the date filed.

**Accounts Receivable**

Accounts receivable is stated at unpaid balance outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end are not material.

**Advertising Costs**

Advertising costs are expensed as incurred. Advertising expense was \$11,475 and \$16,028, respectively, for the years ended September 30, 2018 and 2017.

**Comparative Financial Statements**

The 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2017, from which the summarized information was derived. Management revised their operating expense categories for 2018. Amounts for 2017 have been reclassified to conform to the new presentation.

**OREGON ADAPTIVE SPORTS**  
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**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

**NOTE 2 - SUMMARY OF CASH AND CASH EQUIVALENTS**

The carrying amount of the Organization's cash and cash equivalents was \$130,119 and \$129,971, respectively, at September 30, 2018 and 2017. The Organization's bank balance was \$130,201 and \$122,443, respectively, at September 30, 2018 and 2017. Balances in bank accounts did not exceed the coverage of the federal depository at September 30, 2018 and 2017.

**NOTE 3 – CAPITAL ASSETS**

The following is a summary of capital assets as of September 30:

	<u>2018</u>	<u>2017</u>
Equipment	\$ 139,498	\$ 129,708
Vehicles	36,085	36,085
Less accumulated depreciation	<u>(103,626)</u>	<u>(83,393)</u>
Capital assets, net	<u>\$ 71,957</u>	<u>\$ 82,400</u>

Depreciation expense for the years ended September 30, 2018 and 2017 was \$20,233 and \$18,059, respectively.

**NOTE 4 – BOARD DESIGNATED FUND**

The Board has designated funds for the purpose of segregating money for investment and growth. The board designated fund balance was \$100,000 as of September 30, 2018 and 2017.

**NOTE 5 – LINE OF CREDIT**

On July 24, 2017 the Organization obtained a line of credit from Bank of the Cascades with maximum borrowing of \$50,000. The line expires on July 10, 2019 and bears interest of prime plus 2.25%. As of September 30, 2018, the rate was 7.25%. Substantially all assets of the Organization are pledged as collateral. There was no outstanding balance on the line of credit at September 30, 2018.

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**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

**NOTE 6 – OPERATING LEASE**

The Organization leases their office under a non-cancelable operating lease, which terminates August 31, 2019. There is an option to renew the lease for an additional two years with an annual increase of \$.05 per square foot. Monthly rental payments are increased each fiscal year beginning September 1st. For the fiscal year ended September 30, 2018, monthly rental payments were \$609 until September 1, 2018, at which point they increased to \$675. Rent expense associated with this lease totaled \$7,373 and \$7,307, respectively, for the years ended September 30, 2018 and 2017.

The following is a schedule of future minimum payments under the non-cancelable operating lease as of September 30, 2018:

<u>September 30,</u>	<u>Amount</u>
2019	\$ 8,168
2020	<u>8,978</u>
Total	<u>\$ 17,146</u>

**NOTE 7 – CONTRIBUTED SERVICES**

A substantial number of volunteers have donated significant amounts of their time to the Organization and its program services. The Organization received donated time of approximately 6,000 volunteer hours. The current value of these services is \$10 per hour. The Organization estimates the total value of these services to be \$60,000.

**NOTE 8 – CONCENTRATIONS**

The Organization receives a substantial amount of support from donors located in Oregon. Three donors accounted for approximately 14% of the Organization's total revenue in fiscal year ended September 30, 2018.

**NOTE 9 – RELATED PARTY**

A board member of the Organization is a principal with Century Insurance Group. The Organization paid Century Insurance \$6,335 during the year ending September 30, 2018.

**NOTE 10 – SUBSEQUENT EVENT**

Subsequent events have been evaluated through March 13, 2019, the date the financial statements were available to be issued.