

OREGON ADAPTIVE SPORTS

FINANCIAL STATEMENTS

**For the Year Ended September 30, 2023
(With Comparative Totals for the Year Ended September 30, 2022)**



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FINANCIAL STATEMENTS
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(With Comparative Totals for the Year Ended September 30, 2022)

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Oregon Adaptive Sports
Bend, Oregon

We have reviewed the accompanying financial statements of Oregon Adaptive Sports (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and 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 entity 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 these 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 financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement 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.

We are required to be independent of Oregon Adaptive Sports and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's 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.

Report on 2022 Summarized Comparative Information

The financial statements of Oregon Adaptive Sports as of September 30, 2022, were reviewed by other accountants whose report dated July 6, 2023, stated that based on their review, they were not aware of any material modifications that should be made to the 2022 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, 2022, for it to be consistent with the reviewed financial statements from which it has been derived.

Jones & Roth, P.C.

Jones & Roth, P.C.
Bend, Oregon
October 22, 2024

FINANCIAL STATEMENTS

OREGON ADAPTIVE SPORTS
STATEMENT OF FINANCIAL POSITION
September 30, 2023
(With Comparative Totals for September 30, 2022)

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 638,206	\$ 522,142
Contributions receivable	80,100	22,327
Employee retention credit receivable	-	94,580
Interest receivable	-	5,209
Prepaid expenses	5,848	11,758
Deposits	28,268	9,607
Total current assets	752,422	665,623
Capital assets, net	209,762	161,205
Operating lease right-of-use assets, net	29,295	-
Total assets	\$ 991,479	\$ 826,828
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 2,541	\$ 23,030
Credit card liability	8,278	6,313
Payroll liabilities	39,570	22,056
Operating lease right-of-use liabilities, current portion	28,477	-
Total current liabilities	78,866	51,399
Net assets		
Without donor restrictions	768,502	767,929
With donor restrictions	144,111	7,500
Total net assets	912,613	775,429
Total liabilities and net assets	\$ 991,479	\$ 826,828

See independent accountant's review report and accompanying notes,
which are an integral part of these statements

OREGON ADAPTIVE SPORTS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023
(With Comparative Totals for the Year Ended September 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
Support and revenue				
Contributions	\$ 397,142	\$ 14,735	\$ 411,877	\$ 352,817
Grants	87,488	201,975	289,463	201,756
In-Kind Contributions	26,687	-	26,687	16,545
Program fees, net of scholarships	55,338	-	55,338	43,972
Special event revenue	345,616	-	345,616	282,037
Miscellaneous income	163	-	163	10,713
Interest income	19,225	-	19,225	6,853
Net assets released from restrictions	80,099	(80,099)	-	-
 Total support and revenue	1,011,758	136,611	1,148,369	914,693
 Expenses				
Adaptive sports programs	761,080	-	761,080	580,741
Management and general	81,984	-	81,984	97,600
Fundraising	168,121	-	168,121	97,415
 Total expenses	1,011,185	-	1,011,185	775,756
 Change in net assets	573	136,611	137,184	138,937
 Net assets, beginning of year	767,929	7,500	775,429	636,492
 Net assets, end of year	\$ 768,502	\$ 144,111	\$ 912,613	\$ 775,429

See independent accountant's review report and accompanying notes,
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OREGON ADAPTIVE SPORTS
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2023
(With Comparative Totals for the Year Ended September 30, 2022)

	Adaptive Sports Programs	Management and General	Fundraising	Totals	
				2023	2022
Personnel costs	\$ 452,237	\$ 37,786	\$ 93,976	\$ 583,999	\$ 454,039
Bad debt expense	1,800	-	-	1,800	2,315
Bank charges and merchant fees	2,081	915	11,907	14,903	11,377
Communications and marketing	42,519	201	4,825	47,545	37,374
Depreciation	46,637	-	-	46,637	32,943
Dues, licenses and fees	43,661	687	-	44,348	32,728
Fundraising events	-	-	52,752	52,752	25,114
Food, parties, gifts and appreciation	40,533	-	22	40,555	21,656
Fuel	4,749	-	-	4,749	4,698
Insurance	20,624	-	-	20,624	18,733
Occupancy	33,246	3,698	3,451	40,395	31,031
Professional fees	-	36,362	-	36,362	44,699
Staff development	21,503	1,592	-	23,095	20,480
Supplies and equipment	45,752	743	1,188	47,683	33,548
Vehicle expense	5,738	-	-	5,738	5,021
Total functional expenses	\$ 761,080	\$ 81,984	\$ 168,121	\$ 1,011,185	\$ 775,756

See independent accountant's review report and accompanying notes,
which are an integral part of these statements

OREGON ADAPTIVE SPORTS
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2023
(With Comparative Totals for the Year Ended September 30, 2022)

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 137,184	\$ 138,937
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	46,637	32,943
In-kind donations of capitalized equipment	(15,188)	-
Amortization of right-of-use assets	28,141	-
(Increase) decrease in assets:		
Contributions receivable	42,016	(112,665)
Prepaid expenses	5,910	(1,747)
Deposits	(18,661)	582
Increase (decrease) in liabilities:		
Accounts payable	(20,489)	16,106
Lease liabilities	(28,959)	-
Credit card liability	1,965	(266)
Payroll liabilities	17,514	21,231
Grant advance	-	(31,582)
	196,070	63,539
Cash flows from investing activities		
Acquisition of capital assets	(80,006)	(64,798)
	(80,006)	(64,798)
Net increase (decrease) in cash and cash equivalents	116,064	(1,259)
Cash and cash equivalents, beginning of year	522,142	523,401
Cash and cash equivalents, end of year	\$ 638,206	\$ 522,142
Non-cash investing activities		
Total additions to operating lease right-of-use-assets	\$ (57,436)	\$ -
Additions to operating lease obligation	57,436	-
	\$ -	\$ -

See independent accountant's review report and accompanying notes,
which are an integral part of these statements

OREGON ADAPTIVE SPORTS AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS

1. Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

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 Presentation

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America which require the Organization to report information regarding its financial position and activities according to two classes of net assets:

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 of directors 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. The Organization has no restrictions which are perpetual in nature.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Capital Assets

The Organization capitalizes items with useful lives exceeding one year when acquisition cost or donated value is in excess of \$500. 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.

Program Fees

Program fees are billed to participants for outdoor recreational programs provided by and supervised by the Organization upon registration for the program. Management sets program fees for each program based on the overall per participant cost to the organization. The fee allocated relates solely to the performance obligation of providing the program. Revenue is recognized at a point in time when the program begins and there are no ongoing performance obligations. Program fees are reported net of scholarships provided to participants who meet certain financial thresholds.

OREGON ADAPTIVE SPORTS AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS

1. Nature of Organization and Summary of Significant Accounting Policies, continued

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. The Organization had no non-operating activities during the years ended September 30, 2023 and 2022.

Public Support and Revenue

Contributions and Grants - Contributions and grants received with spending restrictions are reported as revenue with donor restrictions. When a grantor or donor-imposed restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, the revenue is 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.

Donated Goods and Services - Contributions of donated goods and services are recorded at the estimated fair market value. 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.

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, 2023 and 2022.

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

OREGON ADAPTIVE SPORTS AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS

1. Nature of Organization and Summary of Significant Accounting Policies, continued

Contributions Receivable

Contributions receivable consist of grants and contributions receivable and are stated at the amount management expects to collect from balances outstanding at year end. Allowance for doubtful accounts, if any, is provided based on the review of outstanding receivables, historical experience, and economic conditions. Uncollectible accounts are expensed in the period such amounts are determined. Based on management's assessment of the credit history with donors having outstanding balances and current relationships with them, management recorded an allowance against its program receivable of \$-0- and \$1,715, as of September 30, 2023 and 2022.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$47,545 and \$37,374, respectively, for the years ended September 30, 2023 and 2022.

Use of 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.

Recent Accounting Pronouncements

During 2023, the Organization adopted Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC) Topic 842, *Leases*, using the modified retrospective approach, with October 1, 2022 as the date of initial application. The most significant change in the new leasing guidance is the requirement for lessees to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

The Organization elected to utilize all of the practical expedients available under the transition guidance within the new standard. Adoption of the new standard had a material impact on the Organization's statement of financial position, but did not have a material impact on the statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. Adoption of the standard as of October 1, 2022 resulted in an increase in operating lease ROU assets of \$57,436 and an increase in current and long-term operating lease liabilities of \$28,959 and \$28,477, respectively.

OREGON ADAPTIVE SPORTS AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS

2. Cash and Cash Equivalents

At times, cash and cash equivalents may exceed amounts covered under Federal Deposit Insurance Corporation limits of \$250,000 per institution, which represents a credit risk to the Organization as any portion of the deposits in excess of this amount is not subject to federal insurance. At September 30, 2023 and 2022, the Organization's uninsured cash and cash equivalents balances were \$196,892 and \$59,950, respectively.

3. Capital Assets

Capital assets consist of:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 271,022	\$ 194,106
Vehicles	102,529	91,205
Technology	11,548	4,018
Less accumulated depreciation	<u>(175,337)</u>	<u>(128,124)</u>
Capital assets, net	<u>\$ 209,762</u>	<u>\$ 161,205</u>

4. Net Assets

The detail of the Organization's net assets at September 30, is as follows:

	<u>2023</u>	<u>2022</u>
Without donor restrictions		
Designated for specific purpose	\$ 100,000	\$ 100,000
Invested in equipment, net	209,762	161,205
Undesignated	<u>458,740</u>	<u>506,724</u>
Total without donor restrictions	768,502	767,929
With donor restrictions	<u>144,111</u>	<u>7,500</u>
Total net assets	<u>\$ 912,613</u>	<u>\$ 775,429</u>

The Board has designated \$100,000 of funds for the purpose of future investment and growth.

OREGON ADAPTIVE SPORTS AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS

5. Donated Goods and Services

For the years ended September 30, 2023 and 2022, total donated goods and services, were comprised of the following:

	<u>2023</u>	<u>2022</u>
Capital assets	\$ 15,188	\$ 16,545
Donated office furnishings	10,299	-
Other goods	<u>1,200</u>	<u>-</u>
Total donated goods and services	<u>\$ 26,687</u>	<u>\$ 16,545</u>

Donated capital assets are recorded at the estimated market value in the period received. The valuation is determined by the donor. These items are capitalized to capital assets and depreciated over the useful life in accordance with Organization policy.

Donated office furnishings and other goods are recorded at the estimated market value in the period received. The valuation is determined by the donor. These items are recognized as in-kind contributions, with a corresponding expense as the items are used during operations.

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 5,494 and 4,479 volunteer hours, respectively, for the years ended September 30, 2023 and 2022. The value of these services were estimated at \$14.20 per hour and \$13.50, respectively, for the years ended September 30, 2023 and 2022. The Organization estimates the total value of these services to be \$78,015 and \$60,467, respectively, for the years ended September 30, 2023 and 2022.

6. Liquidity

The following represents the Organization's financial assets as of September 30:

Financial assets at year-end:	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 638,206	\$ 522,142
Contributions receivable	80,100	22,327
Employee retention credit receivable and related interest	<u>-</u>	<u>99,789</u>
Total financial assets	<u>718,306</u>	<u>644,258</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	144,111	7,500
Board designated funds for future use	<u>100,000</u>	<u>100,000</u>
Total amount not available to be used within one year	<u>244,111</u>	<u>107,500</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 474,195</u>	<u>\$ 536,758</u>

OREGON ADAPTIVE SPORTS AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS

7. Concentrations

The Organization receives a substantial amount of support from donors located in the state of Oregon. Three donors accounted for approximately 27% and 19%, respectively, of the Organization's total contributions and grants in the fiscal years ended September 30, 2023 and 2022.

8. Related Party

A board member of the Organization is a principal with Century Insurance Group. The Organization paid Century Insurance Group \$20,624 and \$18,733, respectively, during the years ended September 30, 2023 and 2022.

9. Employee Retention Credit (ERC)

During the fiscal year ended September 30, 2022, the Organization applied for credit under the Employee Retention program for the time period between March 12, 2020 and January 1, 2022. The ERC program was for qualified Organizations that were shut down by government order due to the COVID-19 pandemic, or experienced the required decline in gross receipts during the eligibility periods between March 12, 2020 and September 30, 2021.

As of September 30, 2022, management determined it had met all conditions required by the ERC program and reported grant revenue and a related receivable in the amount of claims submitted.

The Organization's request for refund under the program was approved and the full amount requested of \$94,580 plus \$5,209 of accrued interest was received during October 2022.

10. Leases

The Organization leases certain office spaces. In June 2020, the Organization leased their office under a non-cancelable operating lease, which expired September 30, 2022. The Organization exercised their option for an additional two years under the non-cancelable office lease, which expires September 30, 2024.

The Organization assesses whether an arrangement qualifies as a lease at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the arrangement are changed.

The Organization utilizes the risk-free rate based on the information available at the later of the commencement date or October 1, 2022, the date of adoption of ASC 842 in determining the present value of lease payments.

The Organization made the accounting policy election to not separate lease components from non-lease components when allocating contract consideration for its office space leases.

OREGON ADAPTIVE SPORTS AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS

10. Leases, continued

Certain of the Company's lease agreements include variable payments for common area maintenance fees, due upon receipt of the invoice. As these future payments are an estimate and subject to change, they are not included in the measurement of the lease asset and liabilities and are included in variable lease expense.

The following summarizes the amounts for operating leases that are included in operating lease right of use assets on the statement of financial position as of September 30, 2023:

	2023
Operating leases:	
Operating lease right-of-use assets	\$ 57,436
Accumulated amortization	(28,141)
Operating lease right-of-use assets, net	\$ 29,295
Lease cost:	
Operating lease cost	\$ 29,962
Variable lease cost	5,531
Lease cost	\$ 35,493
Cash flow information:	
Cash paid for amounts included in measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 36,311
Weighted-average remaining lease term:	
Operating leases	1 year
Weighted-average discount rate:	
Operating leases	4.12%

The maturities of lease liabilities as of September 30, 2023, were as follows:

Year Ending September 30,	Operating
2024	\$ 32,485
2025	-
2026	-
2027	-
2028	-
Thereafter	-
Total lease payments	32,485
Less: interest	(4,008)
Present value of lease liabilities	\$ 28,477

OREGON ADAPTIVE SPORTS AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS

10. Leases, continued

In addition, in October 2023, the Organization committed to a lease at a new location to begin at the earlier of completion of landlord improvements or January 1, 2024. The lease expires in five years and has two five year extension options. As of the date of the independent accountant's review report, the new lease has commenced.

11. Reclassifications

Certain prior year summarized comparative amounts have been reclassified to conform to current year presentation. Such reclassifications had no effect on previously reported change in net assets.

12. Subsequent Events

Management evaluates events and transactions that occur after the statement of financial position date as potential subsequent events. No subsequent events were identified other than the new building lease (see Note 10). Management has performed this evaluation through the date of the independent accountant's review report.