

OREGON ADAPTIVE SPORTS

FINANCIAL STATEMENTS

**For the Year Ended September 30, 2024
(With Comparative Totals for the Year Ended September 30, 2023)**



OREGON ADAPTIVE SPORTS
FINANCIAL STATEMENTS
For the Year Ended September 30, 2024
(With Comparative Totals for the Year Ended September 30, 2023)

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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, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. 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.

The Right People Beside You.

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Summarized Comparative Information

We previously reviewed Oregon Adaptive Sports' 2023 financial statements and in our conclusion dated October 22, 2024 stated that based on our review, we were not aware of any material modifications that should be made to the 2023 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, 2023 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
June 26, 2025

FINANCIAL STATEMENTS

OREGON ADAPTIVE SPORTS
STATEMENT OF FINANCIAL POSITION
September 30, 2024
(With Comparative Totals for September 30, 2023)

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 265,845	\$ 638,206
Short-term investments	120,888	-
Contributions receivable	62,776	80,100
Prepaid expenses	9,184	5,848
Deposits	<u>21,426</u>	<u>28,268</u>
Total current assets	480,119	752,422
Long-term investments	285,084	-
Capital assets, net	403,590	209,762
Operating lease right-of-use assets, net	<u>298,605</u>	<u>29,295</u>
Total assets	<u>\$ 1,467,398</u>	<u>\$ 991,479</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 4,242	\$ 2,541
Credit card liability	7,307	8,278
Payroll liabilities	53,981	39,570
Operating lease right-of-use liabilities, current portion	<u>49,677</u>	<u>28,477</u>
Total current liabilities	115,207	78,866
Operating lease right-of-use liabilities, long-term portion	<u>237,291</u>	<u>-</u>
Total liabilities	<u>352,498</u>	<u>78,866</u>
Net assets		
Without donor restrictions	1,039,629	768,502
With donor restrictions	<u>75,271</u>	<u>144,111</u>
Total net assets	<u>1,114,900</u>	<u>912,613</u>
Total liabilities and net assets	<u>\$ 1,467,398</u>	<u>\$ 991,479</u>

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, 2024
(With Comparative Totals for the Year Ended September 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2024	2023
Support and revenue				
Contributions	\$ 496,593	\$ 27,589	\$ 524,182	\$ 411,877
Grants	30,364	194,625	224,989	289,463
In-kind Contributions	52,028	-	52,028	26,687
Program fees, net of scholarships	63,564	-	63,564	55,338
Special event revenue	540,982	-	540,982	345,616
Miscellaneous income	6,186	-	6,186	163
Interest income	27,780	-	27,780	19,225
Net assets released from restrictions	<u>291,054</u>	<u>(291,054)</u>	<u>-</u>	<u>-</u>
 Total support and revenue	 <u>1,508,551</u>	 <u>(68,840)</u>	 <u>1,439,711</u>	 <u>1,148,369</u>
Expenses				
Adaptive sports programs	962,796	-	962,796	761,080
Management and general	79,074	-	79,074	81,984
Fundraising	<u>195,554</u>	<u>-</u>	<u>195,554</u>	<u>168,121</u>
 Total expenses	 <u>1,237,424</u>	 <u>-</u>	 <u>1,237,424</u>	 <u>1,011,185</u>
Change in net assets	271,127	(68,840)	202,287	137,184
Net assets, beginning of year	<u>768,502</u>	<u>144,111</u>	<u>912,613</u>	<u>775,429</u>
Net assets, end of year	<u>\$ 1,039,629</u>	<u>\$ 75,271</u>	<u>\$ 1,114,900</u>	<u>\$ 912,613</u>

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OREGON ADAPTIVE SPORTS
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2024
(With Comparative Totals for the Year Ended September 30, 2023)

				Totals	
	Adaptive Sports Programs	Management and General	Fundraising	2024	2023
Personnel costs	\$ 622,049	\$ 39,799	\$ 106,637	\$ 768,485	\$ 583,999
Bad debt expense	-	-	-	-	1,800
Bank charges and merchant fees	1,968	155	17,994	20,117	14,903
Communications and marketing	34,466	16	-	34,482	47,545
Depreciation	70,042	-	-	70,042	46,637
Dues, licenses and fees	50,639	795	40	51,474	44,348
Fundraising events	2,014	-	56,216	58,230	52,752
Food, parties, gifts and appreciation	39,730	82	9,717	49,529	40,555
Fuel	4,598	-	-	4,598	4,749
Insurance	26,184	-	-	26,184	20,624
Occupancy	36,328	3,658	3,658	43,644	40,395
Professional fees	5,000	34,292	-	39,292	36,362
Staff development	16,500	70	87	16,657	23,095
Supplies and equipment	32,670	207	1,205	34,082	47,683
Vehicle expense	20,608	-	-	20,608	5,738
Total functional expenses	<u>\$ 962,796</u>	<u>\$ 79,074</u>	<u>\$ 195,554</u>	<u>\$ 1,237,424</u>	<u>\$ 1,011,185</u>

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, 2024
(With Comparative Totals for the Year Ended September 30, 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ 202,287	\$ 137,184
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	70,042	46,637
In-kind donations of capitalized equipment	(42,384)	(15,188)
Amortization of right-of-use assets	43,743	28,141
(Increase) decrease in assets:		
Contributions receivable	17,324	42,016
Prepaid expenses	(3,336)	5,910
Deposits	6,842	(18,661)
Increase (decrease) in liabilities:		
Accounts payable	1,701	(20,489)
Lease liabilities	(54,562)	(28,959)
Credit card liability	(971)	1,965
Payroll liabilities	<u>14,411</u>	<u>17,514</u>
Net cash provided by operating activities	<u>255,097</u>	<u>196,070</u>
Cash flows from investing activities		
Purchase of investments	(405,972)	-
Purchase of capital assets	<u>(221,486)</u>	<u>(80,006)</u>
Net cash used by investing activities	<u>(627,458)</u>	<u>(80,006)</u>
Net increase (decrease) in cash and cash equivalents	(372,361)	116,064
Cash and cash equivalents, beginning of year	<u>638,206</u>	<u>522,142</u>
Cash and cash equivalents, end of year	<u><u>\$ 265,845</u></u>	<u><u>\$ 638,206</u></u>
Non-cash investing activities		
Total additions to operating lease right-of-use-assets	\$ (313,053)	\$ (57,436)
Additions to operating lease obligation	<u>300,041</u>	<u>57,436</u>
Cash paid for operating lease right-of-use assets	<u><u>\$ (13,012)</u></u>	<u><u>\$ -</u></u>

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

OREGON ADAPTIVE SPORTS 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.

Investments

Investments are composed of U.S. Treasuries and are carried at estimated fair value. Investment income is recorded as earned. Unrealized gains and losses are included as changes in net assets in the accompanying statement of activities.

Capital Assets

The Organization capitalizes items with useful lives exceeding one year when acquisition cost or donated value is in excess of \$10,000. Capital assets are reported at cost or estimated 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.

OREGON ADAPTIVE SPORTS
NOTES TO FINANCIAL STATEMENTS

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

Program Fees, continued

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.

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, 2024 and 2023.

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 estimated 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, 2024 and 2023.

OREGON ADAPTIVE SPORTS
NOTES TO FINANCIAL STATEMENTS

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

Income Taxes, continued

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

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 bad debt, 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 outstanding balances, management recorded no allowance against its contributions receivable, as of September 30, 2024 and 2023.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$34,482 and \$47,545, respectively, for the years ended September 30, 2024 and 2023.

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 Standards Adopted

On October 1, 2023, the Organization adopted Accounting Standards Update 2016-13 Financial Instruments – Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*, and all related amendments (ASC 326), which replaced the incurred loss methodology for recognizing credit losses with an expected loss methodology that is referred to as the current expected credit loss methodology. The impact of adoption was not considered material to the financial statements, as the Organization has no financial assets applicable to the new standard.

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, 2024 and 2023, the Organization's uninsured cash and cash equivalents balances were \$-0- and \$196,892, respectively.

OREGON ADAPTIVE SPORTS
NOTES TO FINANCIAL STATEMENTS

3. Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under professional standards are as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to its fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As of September 30, the following tables set forth by level, within the fair value hierarchy, the Adaptive Sports assets at fair value:

	Assets at Fair Value as of September 30, 2024			
	Level 1	Level 2	Level 3	Total
U.S. Treasuries	\$ 405,972	\$ -	\$ -	\$ 405,972

OREGON ADAPTIVE SPORTS
NOTES TO FINANCIAL STATEMENTS

4. Capital Assets

Capital assets consist of:

	<u>2024</u>	<u>2023</u>
Equipment	\$ 341,785	\$ 271,022
Vehicles	258,529	102,529
Leasehold improvements	37,108	-
Technology	11,548	11,548
Less accumulated depreciation	<u>(245,380)</u>	<u>(175,337)</u>
Capital assets, net	<u>\$ 403,590</u>	<u>\$ 209,762</u>

5. Net Assets

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

	<u>2024</u>	<u>2023</u>
Without donor restrictions		
Designated for specific purpose	\$ 250,000	\$ 100,000
Invested in equipment, net	403,590	209,762
Undesignated	<u>386,039</u>	<u>458,740</u>
Total without donor restrictions	1,039,629	768,502
With donor restrictions	<u>75,271</u>	<u>144,111</u>
Total net assets	<u>\$ 1,114,900</u>	<u>\$ 912,613</u>

The Board has designated \$250,000 of funds for the purpose of future investment and growth.

6. Donated Goods and Services

For the years ended September 30, 2024 and 2023, total donated goods and services, were comprised of the following:

	<u>2024</u>	<u>2023</u>
Capital assets	\$ 42,384	\$ 15,188
Donated office furnishings	-	10,299
Other goods	<u>9,644</u>	<u>1,200</u>
Total donated goods and services	<u>\$ 52,028</u>	<u>\$ 26,687</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.

OREGON ADAPTIVE SPORTS
NOTES TO FINANCIAL STATEMENTS

6. Donated Goods and Services, continued

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 7,192 and 5,494 volunteer hours, respectively, for the years ended September 30, 2024 and 2023. The value of these services were estimated at \$14.70 and \$14.20 per hour, respectively, for the years ended September 30, 2024 and 2023. The Organization estimates the total value of these services to be \$105,722 and \$78,015, respectively, for the years ended September 30, 2024 and 2023.

7. Liquidity

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

Financial assets at year-end:	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 265,845	\$ 638,206
Investments	405,972	-
Contributions receivable	<u>62,776</u>	<u>80,100</u>
Total financial assets	<u>734,593</u>	<u>718,306</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	75,271	144,111
Board designated funds for future use	<u>250,000</u>	<u>100,000</u>
Total amount not available to be used within one year	<u>325,271</u>	<u>244,111</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 409,322</u>	<u>\$ 474,195</u>

8. Concentrations

The Organization receives a substantial amount of support from donors located in the state of Oregon. One and three donors accounted for approximately 11 percent and 27 percent, respectively, of the Organization's total contributions and grants in the fiscal years ended September 30, 2024 and 2023.

9. Related Party

A board member of the Organization is a principal with Century Insurance Group. The Organization paid Century Insurance Group \$26,184 and \$20,624, respectively, during the years ended September 30, 2024 and 2023.

OREGON ADAPTIVE SPORTS
NOTES TO FINANCIAL STATEMENTS

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, and terminated their lease on July 31, 2024 after moving into their new office space.

The Organization leased their office at a new location beginning on July 1, 2024. The lease expires on May 31, 2029 and has two five-year extension options.

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.

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:

	<u>2024</u>	<u>2023</u>
Operating leases:		
Operating lease right-of-use assets	\$ 313,053	\$ 57,436
Accumulated amortization	<u>(14,448)</u>	<u>(28,141)</u>
Operating lease right-of-use assets, net	<u>\$ 298,605</u>	<u>\$ 29,295</u>
Lease cost:		
Operating lease cost	\$ 49,426	\$ 29,962
Variable lease cost	<u>4,453</u>	<u>5,531</u>
Lease cost	<u>\$ 53,879</u>	<u>\$ 35,493</u>

OREGON ADAPTIVE SPORTS
NOTES TO FINANCIAL STATEMENTS

10. Leases, continued

Cash flow information:	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 44,525	\$ 36,311
Weighted-average remaining lease term:		
Operating leases	4.7 years	1 year
Weighted-average discount rate:		
Operating leases	4.44%	4.12%

The maturities of lease liabilities as of September 30, 2024, were as follows:

<u>Year Ending September 30,</u>	<u>Operating</u>
2025	\$ 60,239
2026	67,808
2027	69,843
2028	71,938
2029	48,374
Thereafter	<u>-</u>
Total lease payments	318,202
Less: interest	<u>(31,234)</u>
Present value of lease liabilities	<u><u>\$ 286,968</u></u>

11. Subsequent Events

Management evaluates events and transactions that occur after the statements of financial position date as potential subsequent events. Management has performed this evaluation through the date of the independent accountant's review report.