

**ASSISTANCE LEAGUE^(R) OF
KLAMATH BASIN**

**REVIEW REPORT
Year Ended May 31, 2023**

**ACCOUNTING ASSOCIATE, CPA, PC
430 WALNUT AVENUE
KLAMATH FALLS, OREGON**

ASSISTANCE LEAGUE(R) OF KLAMATH BASIN

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MAY 31, 2023

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of
Assistance League Klamath Basin

I have reviewed the accompanying financial statements of Assistance League of Klamath Basin (a nonprofit organization), which comprise the statement of financial position as of May 31, 2023, the related statements of activities, statement of 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, I 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

My 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 me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Assistance League of Klamath Basin and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

Based on my review, I am 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

I previously reviewed Assistance League of Klamath Basin's 2022 financial statements and in my conclusion dated September 9, 2022, stated that based on my review, I was 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. I am not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended May 31, 2022, for it to be consistent with the reviewed financial statements from which it has been derived.

Todd Goebel CPA MBA

Accounting Associate CPA PC
Klamath Falls OR
August 28, 2023

ASSISTANCE LEAGUE (R) OF KLAMATH BASIN
STATEMENT OF FINANCIAL POSITION
MAY 31, 2023
(With Comparative Totals for 2022)

Assets	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents (Note 2)	\$302,089	\$276,953
Inventories (Note 3)	13,704	17,775
Accounts Receivable	195	8,065
Prepaid expenses	3,340	3,926
Investments (Note 10)	220,799	224,229
Property and equipment (net of depreciation) (Note 4)	<u>117,957</u>	<u>126,945</u>
Total Assets	<u>\$658,084</u>	<u>\$657,893</u>
Liabilities and Net Assets		
Accounts Payable	6,523	333
Deferred Dues	<u>4,420</u>	<u>4,945</u>
Total Liabilities	<u>10,943</u>	<u>5,278</u>
Net Assets (Note 5)		
Without donor restrictions	647,141	652,615
With donor restrictions	<u>0</u>	<u>0</u>
Total Net Assets	<u>647,141</u>	<u>652,615</u>
Total Liabilities and Net Assets	<u>\$658,084</u>	<u>\$657,893</u>

See accompanying notes and independent accountant's review report.

STATEMENT OF ACTIVITIES
May 31, 2023
(With Comparative Totals for 2022)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>	Year Ended May 31, <u>2022 Totals</u>
Support and Revenue				
Fundraising				
Thrift Shop Revenue				
Sales of Consignor Merchandise	\$11,065		\$11,065	\$8,170
Consignment/ credit card fees	(9,055)		(9,055)	(6,740)
Contributions of merchandise	42,743		\$42,743	78,205
Sales of donated Merchandise	53,398		\$53,398	75,609
Less: Value of Merchandise sold	<u>(53,398)</u>		<u>(\$53,398)</u>	<u>(84,592)</u>
Net Revenue from Thrift shop	<u>44,753</u>	<u>0</u>	<u>44,753</u>	<u>70,652</u>
Special events and other fundraising activities revenue (Note 6)	58,298		\$58,298	100,227
Less: Cost of direct benefits to attendees/other event costs	<u>(4,509)</u>		<u>(\$4,509)</u>	<u>(34,993)</u>
Net revenue from special events	<u>53,789</u>	<u>0</u>	<u>53,789</u>	<u>65,234</u>
Donations	98,664		\$98,664	99,000
Grant Income	40,500		\$40,500	4,000
Noncash Contributions (Note 8)	2,827		\$2,827	2,291
Member Dues and activities	5,142		\$5,142	6,091
Interest Income	8,114		\$8,114	208
Investment Return, net	(3,430)		(3,430)	(7,693)
Other	101		\$101	2,614
Net Assets Released from Restrictions:				
Satisfaction of Purpose Restrictions			\$0	0
Expiration of Time Restrictions	<u>0</u>	<u>0</u>	<u>\$0</u>	<u>0</u>
Total Support and Revenue	<u>250,460</u>	<u>0</u>	<u>250,460</u>	<u>242,397</u>
Expenses				
Program expenses				
Project USA	0		\$0	0
Families in Crisis	0		\$0	0
Operation School Bell(R)	<u>208,871</u>		<u>\$208,871</u>	<u>174,363</u>
Total Program Services Expenses	<u>208,871</u>	<u>0</u>	<u>208,871</u>	<u>174,363</u>
Supporting Services:				
Management and General	16,689		\$16,689	15,171
Membership Development	4,029		\$4,029	4,141
Fundraising :				
Other Fundraising	3,568		\$3,568	3,286
Thrift Shop	<u>22,777</u>	<u>0</u>	<u>\$22,777</u>	<u>18,009</u>
Total Supporting Services Expenses	47,063	0	47,063	40,607
Total Expense	<u>255,934</u>	<u>0</u>	<u>255,934</u>	<u>214,970</u>
Increase/ (Decrease) in Net Assets	(5,474)	0	(5,474)	27,427
Net Assets, Beginning of Year	<u>652,615</u>	<u>0</u>	<u>652,615</u>	<u>625,188</u>
Net Assets, End of Year	<u>\$647,141</u>	<u>\$0</u>	<u>\$647,141</u>	<u>\$652,615</u>

See accompanying notes and independent accountant's review report.

Assistance League(R) of Klamath Basin
Statement of Functional Expenses
For the Year Ended May 31, 2023
(With Comparative Totals for 2022)

	<u>Program Services</u>		Total Program Services	<u>Supporting Services</u>			Membership Development	Total Supporting Services	<u>Total Expenses</u>	May 31, 2022 <u>Total Expenses</u>
	Operation School Bell	Project USA		Management and General	Other Fund Raising	Thrift Shop				
Accounting and Legal	4,019		4,019	3,445	1,147	2,871		7,463	\$11,482	\$8,445
Advertising	0		0	600	0	1,064		1,664	1,664	1,908
Auction items			0		0			0	0	28,114
Bank charges	0		0	3,036				3,036	3,036	1,043
Clothing/hygiene/gift cards/oth	196,037		196,037					0	196,037	162,407
Credit card fees								0	0	940
Depreciation	4,013		4,013	3,440	1,147	2,866		7,453	11,466	11,514
Directory				0				0	0	0
Education				0				0	0	326
Fundraiser costs					3,822			3,822	3,822	174
Hospitality							921	921	921	0
Insurance	1,237		1,237	2,400	353	3,703		6,456	7,693	6,628
Janitorial	458		458	392	75	383		850	1,308	747
Maintenance and repairs	0		0	0	0	7,146		7,146	7,146	5,012
Hospitality & member recruiting							308	308	308	1,061
NAL Conference	0		0	0	0	0		0	0	195
NAL Dues							2,800	2,800	2,800	3,080
Newsletter				558				558	558	913
Office supplies	199		199	170	124	75		369	568	1,242
Printing/Postage	0		0	0	687	138		825	825	2,227
Public Relations				155				155	155	912
Security	253		253	217	20	232		469	722	200
Software	214		214	184	0	214		398	612	2,587
Supplies	0	0	0	0	0	194		194	194	531
Taxes and Licenses	89		89	76	30	58		164	253	301
Utilities	2,352		2,352	2,016	672	1,681		4,369	6,721	6,590
Other	0		0	0	0	2,152		2,152	2,152	2,866
Cost/Value of merchandise sold						53,398		53,398	53,398	84,592
Consignment/credit card fees	0	0	0	0	0	9,055	0	9,055	9,055	6,740
Total Expenses	208,871	0	208,871	16,689	8,077	85,230	4,029	114,025	322,896	341,295
Less expenses included with revenue on statement of activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,509)</u>	<u>(62,453)</u>	<u>0</u>	<u>(66,962)</u>	<u>(66,962)</u>	<u>(126,325)</u>
TOTAL EXPENSES PER STATEMENT OF ACTIVITIES	<u>\$208,871</u>	<u>\$0</u>	<u>\$208,871</u>	<u>\$16,689</u>	<u>\$3,568</u>	<u>\$22,777</u>	<u>\$4,029</u>	<u>\$47,063</u>	<u>\$255,934</u>	<u>\$214,970</u>

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE (R) OF KLAMATH BASIN
STATEMENT OF CASH FLOWS
MAY 31, 2023
(With Comparative Totals for 2022)

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in Net Assets	(\$5,474)	\$27,427
Adjustments to reconcile change in Net Assets to Net Cash provided by Operating Activities:		
Depreciation	11,466	11,514
(Increase) decrease in Accounts Receivable	7,891	(7,705)
Net Unrealized (gains) losses on investments	1,758	7,946
(Increase) decrease in Prepaid expenses	586	(393)
(Increase) decrease in Inventory	4,072	1,625
Increase (Decrease) in Accounts Payable	5,842	(8,921)
Increase (Decrease) in Due to Consignors	348	0
Increase (Decrease) in Deferred Dues	<u>(525)</u>	<u>(565)</u>
Net Cash Provided by Operating Activities	<u>25,964</u>	<u>30,928</u>
Cash Flows from Investing Activities		
Sale (Purchase) of investments	1,672	(232,175)
Purchase of property and Equipment	<u>(2,500)</u>	<u>(26,396)</u>
Net Cash Provided (Used) by Investing Activities	<u>(828)</u>	<u>(258,571)</u>
Net Change in Cash and Cash Equivalents	25,136	(227,643)
Cash and Cash Equivalents, Beginning of Year	<u>276,953</u>	<u>504,596</u>
Cash and Cash Equivalents, End of Year	<u>\$302,089</u>	<u>\$276,953</u>

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE^(R) OF KLAMATH BASIN

NOTES TO FINANCIAL STATEMENTS
MAY 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities – Assistance League^(R) of Klamath Basin (the chapter) is a nonprofit corporation and is a chartered chapter of the National Assistance League. The accompanying financial statements include the activities of the Assistance League of the Klamath Basin. The chapter provides the following programs:

Operation School Bell^(R) - provides new clothing to promote learning, school attendance, and self-worth of children in need in Klamath County and Northern California.

Project USA - Paints and refurbishes huge USA maps on elementary school playgrounds throughout the service area.

The chapter's support and revenues come primarily from contributions and other fundraising efforts including special events and the operation of a used furniture and home decor shop (thrift shop).

Basis of Accounting – The financial statements of the chapter have been prepared in accordance with accounting principles generally accepted in the United States of American (U.S. GAAP) on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation – The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 958, *Not-for-profit Entities*. Under ASC 958, the chapter is required to report information regarding its financial position and activities in two classes of net assets:

Net Assets without donor restrictions are net assets not subject to donor-imposed restrictions or law.

Net assets with donor restrictions are net assets subject to donor-imposed restrictions. Contributions restricted by donors whose restrictions are met in the same reporting periods are recorded as unrestricted.

Comparative Financial Information - 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 U.S. GAAP. Accordingly, such information should be read in conjunction with the chapter's (audited or reviewed)financial statements for the year ended May 31, 2022, from which the summarized information was derived.

ASSISTANCE LEAGUE^(R) OF KLAMATH BASIN

NOTES TO FINANCIAL STATEMENTS
MAY 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Cash and Cash Equivalents – Cash and cash equivalents include cash held in checking and money market accounts, time deposits, certificates of deposit and all highly liquid investments with original maturities of three months or less.

Fair Value Measurements - The chapter follows guidance issued by the FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. The guidance establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair values in to Levels 1, 2, and 3.

Level 1 inputs consist of unadjusted quoted prices in active markets for identical instruments and have the highest priority. Level 2 inputs include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or inputs other than quoted prices that are directly or indirectly observable. Level 3 inputs are unobservable and are given the lowest priority.

For purposes of financial reporting, the chapter has determined that the fair values of its financial instruments, which include cash equivalents, investments and accounts payable, approximate the carrying values as May 31, 2023 and 2022, based on their short maturities and/or the terms available to the chapter in financial markets.

Inventories – The chapter maintains an inventory of clothing for use in its Operation School Bell program which is stated at the lower of cost or net realizable value determined by the first-in, first-out method. The chapter also maintains an inventory of used furniture and home decor items donated and consigned by chapter members and others for resale in a used furniture and home decor thrift shop operated by the chapter, which is stated at its estimated fair value. No consigned items are included in inventory.

Investments - The chapter carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position.

Net investment return/(loss) is reported on the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Property and Equipment – Property and equipment are stated at cost or at the fair value at the date of donation in the case of donated assets. The chapter provides for depreciation and amortization of property and equipment by use of the straight-line method over the estimated useful lives as follows:

Buildings and improvements – 10 to 45 years
Furniture and equipment – 5 to 10 years

ASSISTANCE LEAGUE^(R) OF KLAMATH BASIN

NOTES TO FINANCIAL STATEMENTS
MAY 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Contributions of long-lived assets, or of cash or other assets that must be used to acquire long-lived assets, are reported as increases in net assets with restrictions. Restrictions are considered met, and an appropriate amount reclassified to unrestricted net assets, over the useful life of the long-lived assets as determined by the chapter's depreciation policy.

Deferred Revenue – Membership dues collected prior to the fiscal year to which they apply are deferred and recognized over the periods to which the dues and fees relate.

Promises to Give – Unconditional promises to give are recognized as contributions in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefit received. Promises to give are recorded at net realizable value if they are expected to be collected within one year and at net present value if they are expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Concentrations of Credit and Market Risk – Exposure to credit and market risks is related primarily to bank balances, cash equivalents and securities held at and investment firm.

Financial instruments that potentially expose the chapter to concentrations of credit and market risk consist primarily of cash and cash equivalents. Cash and cash equivalents are maintained at high quality financial institutions, and accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At May 31, 2023, the chapter had \$0 in uninsured balances. The chapter has not experienced any losses on its cash or cash equivalents.

Contributions – All contributions are considered to be available for use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, these net assets are reclassified to contributions without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without restrictions.

ASSISTANCE LEAGUE^(R) OF KLAMATH BASIN

NOTES TO FINANCIAL STATEMENTS
MAY 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Donated Materials, Services and Free Use of Facilities – Significant materials and services donated to the chapter by various individuals, corporations and other organizations are reflected in the accompanying financial statements at their fair values at the date of donation. In addition, a significant portion of the chapter's functions and programs are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. During the year ended May 31, 2022 these volunteers donated approximately 8,526 hours with an estimated value of \$271,127. This value was computed using an estimated hourly rate of \$31.80, based upon the average hourly earnings of nonagricultural workers for the time period of May 31, 2023, \$27.65, as determined the U.S. Department of Labor's Bureau of Labor Statistics, plus 15% for estimated fringe benefits.

Tax Status – The chapter is exempt from federal income taxes under Section 501©(3) of the Internal Revenue Code. In addition, the chapter qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The chapter is also exempt from state income taxes under Section 65 of the Oregon Revised Statutes of the Charitable Trust and Incorporation Act of the State of Oregon.

The Chapter has applied the provisions of the FASB's ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Under ASC 740-10, nonpublic enterprises, including nonprofit organizations, are required to record a tax liability when substantial uncertainties exist as to whether certain income is exempt from federal, state and local income tax. As of May 31, 2023, the chapter had no substantial uncertain income tax positions.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses – The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

ASSISTANCE LEAGUE^(R) OF KLAMATH BASIN

NOTES TO FINANCIAL STATEMENTS
MAY 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Revenue and Revenue Recognition

Contributions

The organization recognizes contributions when cash, securities, other assets or an unconditional promise to give is received. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met.

All contributions are considered to be available for use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, these net assets are reclassified to contributions without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without restrictions.

Thrift Shop Sales

Revenue generated from the sale of donated used clothing and household items from the chapter's thrift shop is recognized at point of sale at which time all performance obligations have been satisfied.

Fundraising Events

The chapter records special event revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Membership

The performance obligation related to membership dues is completely satisfied evenly over the year and any membership dues collected in advance of the next fiscal year are recognized as deferred dues revenue.

ASSISTANCE LEAGUE(R) OF KLAMATH BASIN

NOTES TO FINANCIAL STATEMENTS
MAY 31, 2023

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at May 31, 2023 consist of the following:

Cash on hand	<u>\$1,835</u>
Checking accounts	
Washington Federal - General checking	91,711
Washington Federal - Findables checking	<u>59,333</u>
Total checking accounts	<u>151,044</u>
Savings Accounts	
Ameriprise - Money Market	7,343
Umpqua Bank - Money Market	71,507
Washington Federal - Money Market	<u>70,360</u>
Total savings accounts	<u>149,210</u>
 Total cash and cash equivalents	 <u><u>\$302,089</u></u>

NOTE 3 - INVENTORY

Inventory at May 31, 2023 consist of the following:

Clothing for use in its Operation School Bell Program	2,758
Used furniture held for sale at thrift shop (All Non-Consigned)	<u>10,946</u>
 Total Inventory	 <u><u>\$13,704</u></u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following and May 31, 2023:

Land	\$15,000
Building and Improvements	305,491
Furniture and equipment	<u>21,205</u>
	341,696
Less accumulated depreciation	<u>(223,739)</u>
 Total Property and Equipment	 <u><u>\$117,957</u></u>

ASSISTANCE LEAGUE(R) OF KLAMATH BASIN

NOTES TO FINANCIAL STATEMENTS
MAY 31, 2023

NOTE 5 - NET ASSETS

At May 31, 2023, net assets were restricted by donors or designated by the governing board as follows:

Net assets without donor restrictions:		
Undesignated		\$380,535
Board designated reserve for future operating needs		<u>266,606</u>
Total net assets without donor restrictions		<u>647,141</u>
Net assets with donor restrictions:		
Capital Improvements		<u>0</u>
Total net assets with donor restrictions		<u>0</u>
Total Net Assets		<u>\$647,141</u>

NOTE 6 - SPECIAL EVENTS AND OTHER FUNDRAISING ACTIVITIES

The chapter conducts various special events and other fundraising events to help fund current operations. The revenue and related expenses from such events and other fund raising activities for the year ended May 31, 2023 are as follows:

<u>2023 Event</u>	<u>Revenue</u>	<u>Cost of Direct Benefits to Attendees</u>	<u>Other Events Costs</u>	<u>Net Revenue</u>
Blazing Paddles	\$50,713	0	(\$3,822)	\$46,891
Silver Tea	<u>7,585</u>	<u>0</u>	<u>(687)</u>	<u>\$6,898</u>
Total Special Events	<u>\$58,298</u>	<u>\$0</u>	<u>(\$4,509)</u>	<u>\$53,789</u>
Total Cost of Direct Benefits to Attendees			<u>\$0</u>	
Other Event Costs is composed of:		Advertising	3,822	
		Printing and Postage	687	
		Other	<u>0</u>	
Total Other Events Costs			<u>\$4,509</u>	

ASSISTANCE LEAGUE(R) OF KLAMATH BASIN

NOTES TO FINANCIAL STATEMENTS
MAY 31, 2023

NOTE 7 - SUBSEQUENT EVENTS

Assistance League of Klamath Basin has evaluated events subsequent to May 31, 2023, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through August 28, 2023, the date these financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events have occurred that require recognition or additional disclosure in the financial statements.

NOTE 8 - NONCASH CONTRIBUTIONS

During the year ended May 31, 2023, in addition to contributions of merchandise to the chapter's thrift shop, the chapter received other non cash contributions of materials and services as follows:

Professional services	<u>2,001</u>
Total noncash donations	<u>\$2,001</u>

NOTE 9 - LIQUID RESOURCE MANAGEMENT

The Chapter regularly monitors liquidity required to meet its operation needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the chapter considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures

As of May 31, 2023, the following financial assets could readily be made available within one year of the balance sheet to meet general expenditures

Cash and cash equivalents	\$302,089
Accounts Receivable	195
Investments	<u>220,799</u>
Current Availability of Financial Assets	\$523,083
Less those unavailable for general expenditures within one year, due to:	
Board designated Liquidity reserve	<u>266,606</u>
Financial assets available for general expenditures over next 12 months	<u>\$256,477</u>

ASSISTANCE LEAGUE(R) OF KLAMATH BASIN

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2023

NOTE 10 - INVESTMENTS

Investments are stated at fair value and consist of the following at May 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Mutual Funds	\$130,052	\$0	\$130,052
ETFs and closed-ended funds	<u>90,747</u>	0	<u>90,747</u>
Total Investments	<u>\$220,799</u>	<u>\$0</u>	<u>\$220,799</u>

NOTE 11 - INVESTMENTS AND FAIR VALUE

In determining the fair value of investments, the organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Organization determines fair value based on assumptions that market participants would use in pricing and asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurement, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels?

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Organization at the measurement date.

Level 2 Valuations based on observable inputs (other than Level 1), such as quoted prices for similar assets at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 Valuations based on inputs that are observable and significant to the overall fair value measurement, and involve management judgment.

Investment measured on a recurring basis at May 31, 2023 consist of the following:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds	\$130,052	\$130,052	\$0	\$0
ETFs and closed-ended funds	<u>90,747</u>	<u>90,747</u>	<u>0</u>	<u>0</u>
Total Investments	<u>\$220,799</u>	<u>\$220,799</u>	<u>\$0</u>	<u>\$0</u>

Investment activity for the year ended May 31, 2023 consists of the following

Realized and unrealized gains, net	(\$3,430)
Investment Management fees	<u>(\$2,694)</u>
Investment Return, Net	(\$6,124)
Interest and Dividends	<u>\$5,896</u>
Total Investment Return	<u>(\$228)</u>