NORTHWEST CATHOLIC COUNSELING CENTER

Reviewed Financial Statements

For the Year Ended December 31, 2022

McDONALD JACOBS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Northwest Catholic Counseling Center

We have reviewed the accompanying financial statements of Northwest Catholic Counseling Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 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 American Institute of Certified Public Accountants. 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 Northwest Catholic Counseling Center 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.

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Report on Summarized Comparative Information

The comparative information as of and for the year ended December 31, 2021 is presented for the purpose of additional analysis and is not a required part of the December 31, 2021 financial statements. The comparative information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. We previously reviewed the 2021 financial statements, and we expressed an unmodified conclusion on those financial statements in our report dated April 12, 2022. The comparative financial information was subjected to the review procedures applied in our review of the 2021 financial statements and we are not aware of any material modifications that should be made to the comparative information for it to be consistent with the reviewed financial statements from which it has been derived. We have not audited the comparative information and do not express an opinion on such information.

McDonald Jacobs, P.C.

April 14, 2023
Portland, Oregon

NORTHWEST CATHOLIC COUNSELING CENTER
STATEMENT OF FINANCIAL POSITION
December 31, 2022
(With comparative totals for 2021)

	2022	2021
ASSETS		
Cash and cash equivalents	$ 146,874	$ 81,060
Accounts receivable, net of allowance for uncollectible accounts of $79,883 for 2022 and $18,537 for 2021	165,885	42,175
Grants and contributions receivable	-	62,000
Prepaid expenses	8,669	18,978
Investments	306,185	391,905
Operating lease right-of-use asset	594,970	-
Property and equipment, net	8,181	9,669
TOTAL ASSETS	$ 1,230,764	$ 605,787
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 128,157	$ 105,606
Operating lease liability	626,021	-
Deferred lease liability	-	23,500
Total liabilities	754,178	129,106
Net assets:		
Without donor restrictions:		
Undesignated	28,985	52,100
Board designated reserve	266,185	341,905
Net property and equipment	8,181	9,669
Total without donor restrictions	303,351	403,674
With donor restrictions	173,235	73,007
Total net assets	476,586	476,681
TOTAL LIABILITIES AND NET ASSETS	$ 1,230,764	$ 605,787

See independent accountant's review report and notes to financial statements.

NORTHWEST CATHOLIC COUNSELING CENTER
STATEMENT OF ACTIVITIES
For the year ended December 31, 2022
(With comparative totals for 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	2021 Total
Support and revenue:				
Contributions, grants and events, net of direct donor benefits of $19,186 in 2022	$ 393,447	$ 177,235	$ 570,682	$ 350,228
Donated materials and services	5,499	-	5,499	13,728
Government grants	-	-	-	177,208
Program service revenue	503,059	-	503,059	461,067
Interest and dividends	4,022	-	4,022	11,202
Other income	48	-	48	3,750
Net assets released from restrictions:				
Satisfaction of time restrictions	35,000	(35,000)	-	-
Satisfaction of purpose restrictions	42,007	(42,007)	-	-
Total support and revenue	983,082	100,228	1,083,310	1,017,183
Expenses:				
Program services	860,561	-	860,561	935,060
Management and general	75,399	-	75,399	89,682
Fundraising	104,308	-	104,308	75,609
Total expenses	1,040,268	-	1,040,268	1,100,351
Change in net assets before realized and unrealized gain (loss) on investments	(57,186)	100,228	43,042	(83,168)
Net realized and unrealized gain (loss) on investments	(43,137)	-	(43,137)	33,911
Change in net assets	(100,323)	100,228	(95)	(49,257)
Net assets:				
Beginning of year	403,674	73,007	476,681	525,938
End of year	$ 303,351	$ 173,235	$ 476,586	$ 476,681

See independent accountant's review report and notes to financial statements.

NORTHWEST CATHOLIC COUNSELING CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2022
(With comparative totals for 2021)

	Program Services	Management and General	Fund-raising	2022 Total	2021 Total
Salaries	$ 541,673	$ 27,795	$ 58,896	$ 628,364	$ 666,388
Payroll taxes	56,036	1,969	6,091	64,096	72,283
Employee benefits	106,482	5,398	11,274	123,154	131,560
Professional fees	35,673	26,945	6,436	69,054	66,604
Telephone	3,910	134	415	4,459	4,537
Postage and shipping	1,438	5,898	57	7,393	4,149
Rent	78,036	2,717	8,501	89,254	88,070
Repairs and maintenance	2,994	104	323	3,421	3,340
Printing	3,708	63	8,521	12,292	12,194
Advertising	4,622	210	259	5,091	10,311
Hospitality	3,777	457	19,492	23,726	3,374
Office expense	2,423	133	216	2,772	7,521
Insurance	4,806	167	524	5,497	5,829
Bank fees	3,234	1,064	2,330	6,628	7,082
Charitable support	6,000	-	-	6,000	5,500
Miscellaneous	4,448	2,300	17	6,765	10,031
Depreciation	1,301	45	142	1,488	1,578
	860,561	75,399	123,494	1,059,454	1,100,351
Less direct donor benefit costs netted with revenues	-	-	(19,186)	(19,186)	-
Total expenses reported on the statement of activities	$ 860,561	$ 75,399	$ 104,308	$ 1,040,268	$ 1,100,351

See independent accountant's review report and notes to financial statements.

NORTHWEST CATHOLIC COUNSELING CENTER
STATEMENT OF CASH FLOWS
For the year ended December 31, 2022
(With comparative totals for 2021)

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ (95)	$ (49,257)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,488	1,578
Provision for uncollectible accounts	61,346	(4,134)
Net realized and unrealized gain (loss) on investments	43,137	(33,911)
(Increase) decrease in:		
Accounts receivable	(185,056)	13,316
Grants and contributions receivable	62,000	(23,820)
Prepaid expenses	10,309	2,867
Net operating right-of-use asset and lease liability	31,051	-
Increase (decrease) in:		
Accounts payable and accrued expenses	22,551	(9,312)
Deferred lease liability	(23,500)	10,550
Net cash flows from operating activities	23,231	(92,123)
Cash flows from investing activities:		
Proceeds from the sale of investments	134,535	25,000
Purchase of investments	(91,952)	(42,674)
Net cash flows from investing activities	42,583	(17,674)
Net change in cash and cash equivalents	65,814	(109,797)
Cash and cash equivalents - beginning of year	81,060	190,857
Cash and cash equivalents - end of year	$ 146,874	$ 81,060
Supplemental cash flow information:		
Cash paid during the year for operating leases	$ 82,920	$ -
Non-cash investing and financing activity:		
Obtaining right-of-use asset in exchange for lease liability	$ 675,566	-

See independent accountant's review report and notes to financial statements.

1. DESCRIPTION OF ORGANIZATION

Northwest Catholic Counseling Center (the Organization) is a nonprofit corporation committed to providing professional mental health counseling to all people in a compassionate atmosphere. The Organization is a state certified mental health agency. Fees for services are provided on a sliding scale based on monthly household income and number of dependents. The Organization also receives contributions from individuals, businesses, and foundations.

Program services include individuals, couples, family, and child therapy, pre-marriage classes, in English and Spanish, and classes and workshops addressing workplace and employment issues and money management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

- *Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

In order to present operating results from current endeavors, the Organization reports the net realized and unrealized gains and losses on investments as non-operating.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Accounts Receivable

Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Management provides for estimated uncollectible amounts through a charge to revenue and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Accounts receivable balances over 90 days past due approximate $145,000 and $21,000 at December 31, 2022 and 2021, respectively.

Grants and Contributions Receivable

Contributions and grants receivable are unsecured and reported at the amount management expects to collect on balances outstanding at year-end. Management considers history with donors, and current economic and industry trends when determining the collectability of specific accounts. As a result, management determined that an allowance for doubtful accounts is not necessary.

Investments

Investments are carried at fair value.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Under FASB ASC 842, *Leases*, 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 contract are changed.

Leases are included in right-of-use (ROU) asset and lease liability in the statement of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

<u>Leases, Continued</u>
The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

<u>Property and Equipment</u>
Acquisitions of property and equipment in excess of $1,000 are capitalized. Property and equipment purchased are recorded at cost. Donated assets are reflected as contributions at their estimated values on the date received.

<u>Depreciation</u>
Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets which range from 3 to 10 years.

<u>Revenue Recognition</u>
Revenues from various sources are recognized as follows:

Contributions, Grants and Events: Contributions and grants, which include unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. Bequests are recorded as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable. 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 substantially met.

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Sponsorships are recorded as revenue at the time of the commitment unless commensurate value is included a part of the agreements. The portion of the sponsorship revenue that relates to commensurate value of the sponsor received in return is recognized when the related events are held and performance obligations are met.

Donated Materials and Services: Donations of property, equipment, materials and other assets are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions, unless the donor has restricted the donated asset to a specific purpose.

The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenue Recognition, Continued

Government Grants: Government grants represent Paycheck Protection Program (PPP) loans guaranteed by the Small Business Administration (SBA) and are accounted for as conditional advances and accrue interest at 1%. The advances may be forgiven partially or in their entirety if certain conditions are met, including incurrence of allowable qualifying expenses (mostly personnel and occupancy costs) and acceptance and approval of the forgiveness application by the lender. Upon satisfaction of the conditions, the advances will be recognized as revenue. The Organization received a PPP loan and satisfied the qualified expense conditions and recognized government grant revenue of approximately $145,500 in 2021. The Organization also received other COVID-19 relief funding of $31,700 in 2021.

Program Service Revenue: Program service revenue includes third party reimbursements and sliding scale fees. Revenue is recognized in the period the services are provided. Third-party reimbursements from insurers are reported at the amount Organization expects to collect in exchange for providing services. Revenue is recognized as services are provided, based on actual charges incurred in relation to total expected collections. These amounts include variable consideration and price concessions due to coverage, both for the insured and the insurer. The Organization has a policy to discount sliding scale fees for service based on the individual's ability to pay.

The amount of charges foregone for services under these recognition models was approximately $404,000 and $423,000 for the years ended December 31, 2022 and 2021, respectively.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related expenses, telephone, postage and shipping are allocated based on time and effort. Occupancy related expenses, such as repairs and maintenance, rent and depreciation, are allocated on square footage.

Advertising

Advertising costs are expensed as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Income Tax Status
Northwest Catholic Counseling Center is a nonprofit corporation exempt from federal and state income tax under section 501(c)(3) of the Internal Revenue Code and applicable state law. No provision for income taxes is made in the accompanying financial statements, as the Organization has no activities subject to unrelated business income tax. The Organization is not a private foundation.

The Organization follows the provisions of FASB ASC Topic 740 *Accounting for Uncertainty in Income Taxes.* Management has evaluated the Organization's tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this Topic.

Use of Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Changes in Accounting Standards
The Organization has implemented Accounting Standards Update 2020-07, *Presentation and Disclosures by Non-Profit Entities for Contributed Nonfinancial Assets* (ASU 2020-07) for the year ended December 31, 2022 on a retrospective basis. The standard provides new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The amendments do not change the recognition and measurement requirements. There was no impact on the Organization’s financial position and change in net assets upon adoption.

Effective January 1, 2022, the Organization also adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2021). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, the Organization recognized a right-of-use asset of $675,566 and lease liability totaling $699,066 in its statement of financial position as of January 1, 2022. The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended December 31, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Summarized Financial Information for 2021
The financial information as of December 31, 2021 and for the year then ended is presented for comparative purposes and is not intended to be a complete financial statement presentation.

Subsequent Events
The Organization has evaluated all subsequent events through April 14, 2023, the date the financial statements were available to be issued.

3. AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating 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 Organization considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use.

Financial assets available for general expenditure consist of the following at December 31, 2022 and 2021:

	2022	2021
Cash and cash equivalents	$ 146,874	$ 81,060
Accounts receivable, net	165,885	42,175
Grants and contributions receivable	-	62,000
Investments	306,185	391,905
	618,944	577,140
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions	173,235	73,007
Board designations	266,185	341,905
Financial assets available for general expenditure	$ 179,524	$ 162,228

Board designated funds are maintained as operating reserves and the release of funds may be approved by simple majority vote of the Board of Directors. See Note 8 regarding board designated net assets. Under board policy, future distributions are estimated at up to 5% of the total fund balance (approximately $13,000) to be available for general expenditures in 2023.

4. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable of $62,000 at December 31, 2021 represent unconditional promises to give and are receivable within one year.

5. INVESTMENTS

Investments are held as a board designated reserve and consist of the following at December 31, 2022 and 2021:

	2022	2021
Cash and cash equivalents	$ 4,108	$ 37,065
Money market fund	33,000	7,000
Exchange traded funds:		
Treasury bonds	61,121	70,485
Corporate bonds	60,947	67,390
Stock	30,782	22,937
Mutual funds - equity	116,227	187,028
Total investments	$ 306,185	$ 391,905

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2022 and 2021:

	2022	2021
Furniture and fixtures	$ 33,761	$ 33,762
Computers and equipment	35,054	35,054
Leasehold improvements	16,118	16,118
	84,933	84,934
Less accumulated depreciation	76,752	75,265
Property and equipment, net	$ 8,181	$ 9,669

7. OPERATING LEASES

The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms.

The Organization's operating lease consists of a lease for office space with a remaining lease term of 7 years.

The statement of financial position reflects an ROU asset of $594,970 and operating lease liability of $626,021 as of December 31, 2022.

The discount rate applied to calculate lease liabilities as of December 31, 2022 is 1.63%.

The maturities of operating lease liabilities as of December 31, 2022 are as follows:

Year ending December 31, 2023	$ 85,644
2024	88,440
2025	91,320
2026	94,320
2027	97,980
Thereafter	206,640
	664,344
Less discount/interest	(38,323)
Present value of lease liabilities	$ 626,021

For the year ended December 31, 2022, total operating lease cost included in rent approximated $90,500. Rent was reduced for a property tax exemption credit.

7. OPERATING LEASES, Continued

Rent expense under FASB ASC Topic 840, *Leases*, (pre-adoption of the new standards) for operating leases totaled approximately $90,500 (before property tax exemption credit) for the year ended December 31, 2021. Rent was recognized on a straight-line basis over the term of the lease with the difference between the expense and cash outlay reflected as deferred lease liability of $23,500 at December 31. 2021. The aggregate minimum lease payments under those operating leases as of December 31, 2021, were as follows:

Year ending December 31, 2022	82,900
2023	85,600
2024	88,400
2025	91,300
2026	94,300
Thereafter	304,600
	$ 747,100

8. BOARD DESIGNATED RESERVE

The Board of Directors designated net assets without donor restrictions as a general reserve fund to support the mission of the Organization. Since the reserve resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

The Organization has a spending policy of appropriating for distribution each year up to 5 percent of the reserve assets. The annual contribution to operations cannot exceed the lesser of five percent (5%) of its assets or an amount determined by the annual average of the preceding three years' earnings less the sum of the annual average rate of inflation of the preceding three years plus one percent (1%) real growth. These funds will be spent on the Organization's annual operating budget submitted to and approved by the Board of Directors. The spending policy was implemented with the intent not only to provide funds for the Organization's immediate aims but also to preserve and grow assets to meet future spending needs.

The above spending policy notwithstanding, the Board of Directors by a vote of a majority of its members may suspend the spending limitations for a fiscal year in order to prevent a budget deficit.

8. BOARD DESIGNATED RESERVE, Continued

Changes in reserve fund for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Beginning of year	$ 341,905	$290,320
Additions	6,352	6,472
Interest and dividends	4,022	11,202
Realized/unrealized gain (loss)	(43,137)	33,911
Distributions	(42,957)	-
End of year	$ 266,185	$ 341,905

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with expiring donor restrictions at December 31, 2022 and 2021 are as follows:

	2022	2021
Time restricted	$ -	$ 35,000
Purpose restricted:		
Levantar (LatinX programs)	77,235	38,007
Electronic health records project	96,000	-
Total net assets with donor restrictions	$ 173,235	$ 73,007

10. REVENUE FROM CONTRACTS WITH CUSTOMERS

For revenue from contracts with customers, the timing of revenue recognition, billings, and cash collections may result in billed accounts receivable (contract asset) and customer advances and deposits and deferred revenue (contract liabilities) on the statement of financial position.

- Program service revenue from third-party reimbursements is recorded at the time of service, at the amount billed to the third-party insurer. This amount is offset by an adjustment for actual amounts reimbursed by the third-party insurer.

- Program service revenue from sliding scale fees is recorded at the time of service. This amount is offset by the Organization's policy to discount fees for service based on the participant's ability to pay.

10. REVENUE FROM CONTRACTS WITH CUSTOMERS, Continued

There are no significant judgments affecting the determination of amount and timing of program fees revenue. The beginning and ending contract balances are as follows:

	December 31, 2022	December 31, 2021	December 31, 2020
Accounts receivable (contract asset):			
Third party reimbursement receivable	$ 130,070	$ 32,188	$ 37,141
Sliding scale receivable	35,815	9,987	14,216
Total accounts receivable	$ 165,885	$ 42,175	$ 51,357

There are no contract liabilities for these revenue streams.

11. DONATED MATERIALS AND SERVICES

Donated materials and services for the years ended December 31, 2022 and 2021 consist of the following:

	2022	2021
Supplies (program)	$ 3,699	$ 2,869
Professional services (management)	1,800	10,859
Total donated materials and services	$ 5,499	$ 13,728

The Organization received supplies that are restricted for use within designated programs. Donated supplies are recorded at fair value and are used to support programs and operations. Fair value is based on the current cost to acquire the supplies and the sales price of comparable supplies.

The Organization received contributed professional services for consulting and technology work. Contributed professional services are recorded at their estimated fair value using current market rates from similar vendors and comparable professionals.

12. RETIREMENT PLAN

The Organization has a 403(b) retirement plan covering eligible employees. Contributions are paid annually at the discretion of the Organization's board and range from 3% to 5% of the eligible employee's annual salary. The Organization's contributions to the plan totaled approximately $17,000 and $18,300 for the years ended December 31, 2022 and 2021, respectively.

13. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balance in one financial institution located in Portland, Oregon. The balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The balance, at times, may exceed the federally insured limit.

The Organization's revenues are concentrated with 13% of total revenues coming from one source for the year ended December 31, 2022 (14% from the PPP loan forgiveness for 2021).

Accounts receivable are unsecured and from individuals located within the same geographic region.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

14. FAIR VALUE MEASUREMENTS

Assets and liabilities recorded at fair value in the statement of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets, or quoted market prices for identical assets or liabilities in inactive markets.

14. FAIR VALUE MEASUREMENTS, Continued

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

Investments held by the Organization consisting of money market funds, exchange traded funds, and mutual funds as detailed in Note 5, are Level 1. Fair values for these investments are determined by reference to quoted market prices and other relevant information generated by market transactions.