

**BIRCH COMMUNITY SERVICES, INC.**

**FINANCIAL STATEMENTS**

**Year Ended October 31, 2023**



**KERN ▲ THOMPSON**  
CERTIFIED PUBLIC ACCOUNTANTS

**BIRCH COMMUNITY SERVICES, INC.**

**FINANCIAL STATEMENTS**

**Year Ended October 31, 2023**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Birch Community Services, Inc.  
Portland, Oregon

***Opinion***

We have audited the accompanying financial statements of Birch Community Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of October 31, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Birch Community Services, Inc. as of October 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Birch Community Services, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Birch Community Services, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors  
Birch Community Services, Inc.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Birch Community Services, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Birch Community Services, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Report on Summarized Comparative Information***

We have previously audited Birch Community Services, Inc.'s 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated June 29, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended October 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Kern & Thompson, LLC*

Portland, Oregon  
July 10, 2024

**BIRCH COMMUNITY SERVICES, INC.**

**STATEMENT OF FINANCIAL POSITION**

**October 31, 2023**

(With Comparative Totals as of October 31, 2022)

**ASSETS**

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 272,405	\$ 499,691
Grants receivable	182,000	53,000
Inventory	1,211,521	854,995
Investments	607,502	69,895
Prepaid expenses	19,020	15,870
Property and equipment, net	464,130	388,507
Deposits	99,215	-
Right of use asset	1,018,725	-
<b>Total assets</b>	<b>\$ <u>3,874,518</u></b>	<b>\$ <u>1,881,958</u></b>

**LIABILITIES AND NET ASSETS**

Accounts Payable	\$ 28,716	\$ -
Accrued payroll	79,645	68,181
Deferred revenue	76,380	64,000
Right of use liability	1,057,077	-
<b>Total liabilities</b>	<b><u>1,241,818</u></b>	<b><u>132,181</u></b>
<b>Net assets</b>		
Without donor restrictions	2,192,353	1,583,689
With donor restrictions	440,347	166,088
<b>Total net assets</b>	<b><u>2,632,700</u></b>	<b><u>1,749,777</u></b>
<b>Total liabilities and net assets</b>	<b>\$ <u>3,874,518</u></b>	<b>\$ <u>1,881,958</u></b>

See notes to financial statements.

**BIRCH COMMUNITY SERVICES, INC.**

**STATEMENT OF ACTIVITIES**

**Year Ended October 31, 2023**

(With Comparative Totals for the Year Ended October 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
<b>Support and revenue</b>				
Contributions	\$ 597,154	\$ 620,986	\$ 1,218,140	\$ 723,678
Membership dues	907,290	-	907,290	766,436
Recycling income	26,565	-	26,565	28,562
Investment return	13,792	-	13,792	(4,690)
Other income	19,424	-	19,424	15,711
	<u>1,564,225</u>	<u>620,986</u>	<u>2,185,211</u>	<u>1,529,697</u>
Net assets released from restrictions	<u>346,727</u>	<u>(346,727)</u>	<u>-</u>	<u>-</u>
<b>Total support and revenue</b>	<b><u>1,910,952</u></b>	<b><u>274,259</u></b>	<b><u>2,185,211</u></b>	<b><u>1,529,697</u></b>
<b>Operating expenses</b>				
Program services	1,265,706	-	1,265,706	1,110,704
Supporting services				
Management and general	269,155	-	269,155	201,375
Development	123,953	-	123,953	116,465
<b>Total operating expenses</b>	<b><u>1,658,814</u></b>	<b><u>-</u></b>	<b><u>1,658,814</u></b>	<b><u>1,428,544</u></b>
<b>Change in net assets from operations</b>	<b><u>252,138</u></b>	<b><u>274,259</u></b>	<b><u>526,397</u></b>	<b><u>101,153</u></b>
Donated food and clothing	18,694,365	-	18,694,365	15,290,654
Distributed food and clothing	<u>(18,337,839)</u>	<u>-</u>	<u>(18,337,839)</u>	<u>(15,449,551)</u>
<b>Net in-kind food and clothing pass-through activities</b>	<b><u>356,526</u></b>	<b><u>-</u></b>	<b><u>356,526</u></b>	<b><u>(158,897)</u></b>
<b>Change in net assets</b>	<b><u>608,664</u></b>	<b><u>274,259</u></b>	<b><u>882,923</u></b>	<b><u>(57,744)</u></b>
Net assets, beginning of year	<u>1,583,689</u>	<u>166,088</u>	<u>1,749,777</u>	<u>1,807,521</u>
<b>Net assets, end of year</b>	<b><u>\$ 2,192,353</u></b>	<b><u>\$ 440,347</u></b>	<b><u>\$ 2,632,700</u></b>	<b><u>\$ 1,749,777</u></b>

See notes to financial statements.

**BIRCH COMMUNITY SERVICES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended October 31, 2023**

(With Comparative Totals for the Year Ended October 31, 2022)

	<b>SUPPORTING SERVICES</b>					
	<b>PROGRAM SERVICES</b>	<b>Manage- ment and General</b>		<b>Develop- ment</b>	<b>Total</b>	
					<b>2023</b>	<b>2022</b>
Payroll and payroll taxes	\$ 753,227	\$ 94,153	\$ 94,153	\$ 941,533	\$ 834,818	
Employee benefits	63,521	7,940	7,940	79,401	66,819	
Grant writing	-	-	14,250	14,250	6,966	
Utilities	56,794	14,199	-	70,993	71,014	
Maintenance and repairs	20,121	2,236	-	22,357	29,311	
Insurance	-	22,684	-	22,684	19,818	
Truck and automobile	68,265	-	-	68,265	59,978	
Office expense	-	58,138	7,610	65,748	45,590	
Technology	-	2,151	-	2,151	4,165	
Postage and delivery	7,326	484	-	7,810	561	
Printing and copying	-	5,033	-	5,033	4,179	
Occupancy	211,583	23,509	-	235,092	186,606	
Bank fees	-	17,653	-	17,653	9,745	
Professional fees	-	20,975	-	20,975	14,441	
Depreciation	84,869	-	-	84,869	74,533	
<b>Total operating expenses</b>	<b>1,265,706</b>	<b>269,155</b>	<b>123,953</b>	<b>1,658,814</b>	<b>1,428,544</b>	
Value of in-kind distributions	18,337,839	-	-	18,337,839	19,127,690	
<b>Total expenses</b>	<b>\$ 19,603,545</b>	<b>\$ 269,155</b>	<b>\$ 123,953</b>	<b>\$ 19,996,653</b>	<b>\$ 20,556,234</b>	

See notes to financial statements.

**BIRCH COMMUNITY SERVICES, INC.**

**STATEMENT OF CASH FLOWS**

**Year Ended October 31, 2023**

(With Comparative Totals for the Year Ended October 31, 2022)

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 882,923	\$ (57,744)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	84,869	74,533
Net in-kind donations	(356,526)	158,897
Change in lease measurement	38,352	
Unrealize (gain) loss on investments	(12,607)	5,106
Changes in assets and liabilities:		
Grants receivable	(129,000)	2,000
Prepaid expenses	(3,150)	(635)
Accounts payable	28,716	
Accrued payroll	11,464	7,068
Deferred revenue	12,380	10,000
<b>Net cash provided by operating activities</b>	<b>557,421</b>	<b>199,225</b>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(575,000)	(75,000)
Redemption of investments	50,000	
Purchase of property and equipment	(259,707)	(94,603)
<b>Net cash used in investing activities</b>	<b>(784,707)</b>	<b>(169,603)</b>
<b>Net change in cash</b>	<b>(227,286)</b>	<b>29,622</b>
Cash, beginning of year	499,691	470,069
<b>Cash, end of year</b>	<b>\$ 272,405</b>	<b>\$ 499,691</b>

See notes to financial statements.



## **BIRCH COMMUNITY SERVICES, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

**October 31, 2023**

#### **NOTE A – DESCRIPTION OF ORGANIZATION**

Birch Community Services, Inc. (the Organization) is a nonprofit organization formed under the laws of the State of Oregon. The Organization's mission is to provide a community where people can be responsible and accountable for meeting their basic needs, and to equip them with tools to overcome financial difficulty.

Birch Community Services, Inc. serves approximately 900 families and 70 other not-for-profit agencies. The Organization's programs strengthen the financial security of lower-income families through our four pillars of "Food, Education, Freedom, Legacy." Food provides immediate financial relief and creates margin in budget to pay down debt. Education is provided by our Financial Literacy Manager through one-on-one meetings and financial courses. Freedom is experienced as goals are accomplished and families become debt-free. Legacy results as families are able to demonstrate financial stability, influencing their community and children's futures.

#### **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Adoption of New Accounting Pronouncements**

During the year ended October 31, 2023, the Organization adopted *Accounting Standards Update No. 2016-02, Leases Topic 842 ("ASC 842")*. The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities.

The Organization elected the optional method to apply the transition provisions of ASC 842 from the date of adoption, which requires the Organization to report the cumulative effect of the standard on the date of adoption with no changes to the prior period balances. Pursuant to the practical expedients, the Organization elected not to reassess: (i) whether expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases, or (iii) initial direct cost for any existing leases.

Operating lease ROU assets and related lease liabilities are recognized at the present value of the future lease payments over the base noncancelable lease term at the lease commencement date for each lease. The Organization elected the practical expedient allowing use of the risk-free rate as the interest rate for determining the present value of the future lease payments.

##### **Basis of Accounting**

The Organization prepares its financial statements on the accrual basis of accounting, which recognizes revenue when earned and expenses when incurred. Transactions are classified according to the existence or absence of donor-imposed restrictions.

##### **Financial Statement Presentation**

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

**BIRCH COMMUNITY SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**October 31, 2023**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Statement Presentation (Continued)**

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets either subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**Revenue Recognition**

Revenue streams applicable to the Organization that qualify as exchange transactions with “customers” (primarily membership dues) are recognized monthly when all risks and rewards transfer. Amounts received from customers in advance are recorded as deferred revenue until the Organization’s performance obligations are satisfied.

**Contributions**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**Functional Allocation of Expenses**

The costs of providing the programs and supporting services have been summarized in the statement of activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Certain costs, including office expense, occupancy, leases and utilities have been allocated among the programs and supporting services benefited based primarily on estimates of time and effort.

**Estimates**

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

**BIRCH COMMUNITY SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**October 31, 2023**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

For financial reporting purposes, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Inventory**

The Organization receives contributions of food and clothing. These contributions represent a significant portion of the Organization's operations and are reflected as in-kind donations and recorded at their estimated wholesale value. The Organization's policy is to value donated food products at values determined by similar organizations. For the year ended October 31, 2023, the value used was \$1.50 per pound; \$1.00 per pound for clothing; \$50 per pair of workboots.

**Contributed Services**

A substantial number of volunteers have donated significant amounts of their time to the Organization and its educational programs; however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

**Property and Equipment**

Property and equipment is recorded at cost when purchased, or fair market value when donated. Expenditures exceeding \$1,000 for additions, major renewals, and betterments are capitalized, and expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation of property and equipment has been calculated using the straight-line method over the following estimated useful lives:

Vehicles	5 years
Furniture and fixtures	5-10 years
Building and improvements	15 years

**Concentration of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization places its cash with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Amounts in excess of FDIC coverage totaled approximately \$20,000 at October 31, 2023.

**Income Taxes**

The Organization has been approved as a tax-exempt organization under the Internal Revenue Code Section 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of \$1,000.

**BIRCH COMMUNITY SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**October 31, 2023**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases**

The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Organization determines these assets are leased because the Organization has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically for the exercise of the right to substitute the asset are not considered to be or contain a lease because the Organization determines it does not have the right to contract and direct the use of the identified asset.

In evaluating its contracts, the Organization separately identifies lease and non-lease components, such as fixed common area and other fixed maintenance costs, in calculating the ROU assets and lease liabilities for its office buildings, apartments and vehicles. Non-lease components, which primarily include payments for maintenance and utilities, are excluded from lease payments in calculating the ROU balances.

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization uses the implicit rate when readily determinable. As most leases do not provide an implicit rate, the Organization uses a risk-free discount rate to measure the present value.

Lease expense is generally recognized on a straight-line basis over the lease term.

**NOTE C – RESTRICTIONS ON NET ASSETS**

Restrictions on net assets consist of amounts received with purpose restrictions to carry out specific program activities and purchase equipment.

**BIRCH COMMUNITY SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**October 31, 2023**

**NOTE D – FAIR VALUE MEASUREMENTS**

Valuation techniques used to measure fair value are prioritized into the following hierarchy:

**Level 1** - Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities, mutual fund investments and cash equivalents.

**Level 2** - Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies.

**Level 3** - Unobservable inputs that reflect management’s assumptions and best estimates based on available data. Assets in this level include beneficial interests in assets held by others.

Realized and unrealized gains and losses from investments are reported in the statement of activities as they occur. There have been no changes in valuation techniques and related inputs.

Fair values of assets measured on a recurring basis at October 31, 2023 are as follows:

	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual funds	\$ 607,502	\$ -	\$ -	\$ 607,502
Total investments	<u>\$ 607,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607,502</u>

**NOTE E – GRANTS RECEIVABLE**

The organization has the following grants receivable

Amounts due in less than one year (two grants)	\$ 140,000
Amounts due in one to two years (one grant)	<u>42,000</u>
Total	<u>\$ 182,000</u>

**NOTE F – RETIREMENT SAVINGS PLAN**

The Organization has adopted a Simple Plan for the benefit of its employees and contributed \$17,783 to the Plan for the year ended October 31, 2023.

**BIRCH COMMUNITY SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**October 31, 2023**

**NOTE G – DONATED ASSETS AND SERVICES**

The Organization received approximately 11 million pounds of food and grocery products from the food industry, other businesses, community organizations and individuals for the year ended October 31, 2023. 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. During the year ending October 31, 2023, approximately 30,000 volunteer hours were provided to assist with warehouse operations. These hours of general volunteer support are not reflected in the financial statements as they do not meet the criteria for recording donated services.

Inventory consists of the following:

Food	\$	983,627
Boots		226,746
Clothing		1,148
	\$	<u>1,211,521</u>

**NOTE H – PROPERTY AND EQUIPMENT**

Property and equipment as of October 31, 2023 consists on the following:

Transportation equipment	\$	437,678
Equipment		742,547
Leasehold improvements		120,521
		<u>1,300,746</u>
Less accumulated depreciation		<u>(836,616)</u>
Net property and equipment	\$	<u>464,130</u>

Depreciation expense totaled \$84,869 for the year ended October 31, 2023

**NOTE I – RIGHT OF USE ASSET AND LIABILITY**

The Organization leases its facilities under an operating lease that expires August 31, 2028. Lease payments are \$19,020 per month, increasing approximately 3% annually through the final year of the lease term. The Organization recognized an initial ROU asset and liability of \$1,209,410 using a risk free 5-year rate of 4.27% based on the expected remaining lease term.

**BIRCH COMMUNITY SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**October 31, 2023**

**NOTE I – RIGHT OF USE ASSET AND LIABILITY (CONTINUED)**

Annual Lease Cost		\$ <u>235,092</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from leases		\$ <u>196,740</u>
Right-of-use assets obtained in exchange for new operating lease liabilities		\$ <u>1,209,410</u>
Weighted-average remaining lease term		5 years
Weighted-average discount rate		4.27%

Minimum lease payments and reconciliation to the statement of financial position at October 31, 2023, are as follows:

		Year Ending October 31,
		<hr/>
		2024
	\$	229,384
		2025
		236,294
		2026
		243,486
		2027
		250,978
		2028
		<u>214,490</u>
Total future undiscounted lease payments		1,174,632
Less present value discount		<u>(117,555)</u>
Total Lease liability	\$	<u>1,057,077</u>

**BIRCH COMMUNITY SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**October 31, 2023**

**NOTE J – LIQUIDITY**

The following chart represents the Organization's financial assets available for general expenditures within one year of October 31, 2023:

Financial assets at year-end:	
Cash and cash equivalents	\$ 272,405
Grants receivable	182,000
Investments	<u>607,502</u>
Total financial assets	1,061,907
Less amounts unavailable for general expenditure within one year:	
Net assets with donor restrictions	<u>(440,347)</u>
Financial assets available to meet cash needs within one year	<u>\$ 621,560</u>

As part of its liquidity management, the Organization's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

**NOTE K – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through July 10, 2024, which is the date the financial statements were available to be issued.