ANGEL FLIGHT CENTRAL, INC.

FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
MARCH 31, 2024
AND INDEPENDENT AUDITORS' REPORT

Pickett, Chaney & McMullen LLP
Certified Public Accountants

PC &M

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of
Angel Flight Central, Inc.
Kansas City, Missouri

Opinion

We have audited the accompanying financial statements of Angel Flight Central, Inc., which comprise the statement of financial position as of March 31, 2024, and the related statements of activities and changes in net assets, 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 Angel Flight Central, Inc. as of March 31, 2024, and the changes in its 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Angel Flight Central, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, Angel Flight Central, Inc. has adopted the provisions of Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, effective April 1, 2023. Adoption of this standard has had a material effect on the presentation and disclosures in the financial statements for the year ended March 31, 2024. Our opinion is not modified with respect to this matter

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 Angel Flight Central, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 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.

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 Angel Flight Central, 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 Angel Flight Central, 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.

Pickett, Chaney & McMullen LLP

Overland Park, Kansas
August 19, 2024

ANGEL FLIGHT CENTRAL, INC.

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2024

ASSETS	
Cash and cash equivalents	$ 380,752
Investments	849,227
Prepaid expenses	6,294
Beneficial interest in assets held by community foundation	1,051,084
Cash surrender value of life insurance policy	6,801
Right of use asset - operating lease	11,024
Property and equipment:	
Office equipment	62,619
Software	4,708
	67,327
Less: accumulated depreciation	(67,327)
Total property and equipment	-
Total assets	$ 2,305,182
LIABILITIES AND NET ASSETS	
LIABILITIES:	
Accounts payable	$ 6,903
Accrued expenses	34,317
Operating lease liability	11,024
Total liabilities	52,244
NET ASSETS:	
Without donor restrictions:	
Undesignated	1,201,854
Board designated	1,051,084
Total net assets	2,252,938
Total liabilities and net assets	$ 2,305,182

See notes to financial statements.

ANGEL FLIGHT CENTRAL, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2024

REVENUES, GAINS AND OTHER SUPPORT:	
Contribution revenue:	
Individuals	$ 77,543
Corporations	53,334
Foundations	72,789
Other organizations	8,049
Special event revenue and contributions:	
Wine Flight	416,217
Boulevard Brewing	31,662
Less: Costs of direct benefits to donors	(58,911)
Special events, net	388,968
In-kind contributions:	
Air transportation	1,609,011
Commercial flight vouchers	413,430
Rent	10,800
Total in-kind contributions	2,033,241
Investment return, net	176,409
Total revenues, gains and other support	2,810,333
EXPENSES:	
Program services:	
Missions (flights)	2,274,876
Public education	92,500
National collaborations	26,424
Total program services	2,393,800
Supporting services:	
Management and general	84,075
Fundraising	85,172
Total supporting activities	169,247
Total expenses	2,563,047
CHANGE IN NET ASSETS	247,286
NET ASSETS, BEGINNING OF THE YEAR	2,005,652
NET ASSETS, END OF THE YEAR	$ 2,252,938

See notes to financial statements.

ANGEL FLIGHT CENTRAL, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2024

	PROGRAM SERVICES				SUPPORTING ACTIVITIES			
	Missions (Flights)	Public Education	National Collaborations	Total Program	Management and General	Fundraising	Total Supporting Activities	Total
In-kind transportation and pilot services	$ 2,022,441			$ 2,022,441				$ 2,022,441
In-kind rent	6,048	$ 2,365	$ 594	9,007	$ 702	$ 1,091	$ 1,793	10,800
Total in-kind expense	2,028,489	2,365	594	2,031,448	702	1,091	1,793	2,033,241
Salaries, payroll taxes and benefits	167,180	79,162	18,848	265,190	25,175	40,405	65,580	330,770
Database and internet	21,618	636		22,254	9,537		9,537	31,791
Office rent	3,513	1,374	345	5,232	408	634	1,042	6,274
Office supplies	8,725			8,725	1,662		1,662	10,387
Telecommunications	19,740			19,740	7,677		7,677	27,417
Professional fees	969		1,000	1,969	27,200	7,600	34,800	36,769
Insurance	5,188			5,188	9,222		9,222	14,410
Bank and credit card fees	49	72		121	2	6,322	6,324	6,445
Postage, printing and publications	2,857			2,857		2,502	2,502	5,359
Travel - conferences		2,111	4,285	6,396				6,396
Travel - camp and medical flights	7,819			7,819				7,819
Event catering and entertainment	1,432			1,432		82,705	82,705	84,137
Advertising and promotional	2,425	3,715		6,140	142	2,276	2,418	8,558
Volunteer and donor recognition	2,746	1,941		4,687		48	48	4,735
Other expenses	2,126	1,124	1,352	4,602	2,348	500	2,848	7,450
Total expenses by function	2,274,876	92,500	26,424	2,393,800	84,075	144,083	228,158	2,621,958
Less: Expenses included with revenues on the statement of activities:								
Direct benefit to donors						(58,911)	(58,911)	(58,911)
Total expenses included in the expense section of the statement of activities	$ 2,274,876	$ 92,500	$ 26,424	$ 2,393,800	$ 84,075	$ 85,172	$ 169,247	$ 2,563,047

See notes to financial statements.

ANGEL FLIGHT CENTRAL, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	$ 247,286
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Net realized and unrealized (gains) losses on investments	(9,501)
Net realized and unrealized (gains) losses on assets held by community foundation	(117,909)
Change in cash surrender value of life insurance	910
Changes in operating assets and liabilities:	
Prepaid expenses	(25)
Accounts payable	4,576
Accrued expenses	34,317
Net cash provided by operating activities	159,654
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from beneficial interest in assets held by community foundation	7,746
Purchase of beneficial interest in assets held by community foundation	(26,718)
Proceeds from sale of investments	227,682
Purchase of investments	(257,646)
Net cash used in investing activities	(48,936)
NET CHANGE IN CASH AND CASH EQUIVALENTS	110,718
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	270,034
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 380,752
SUPPLEMENTAL DISCLOSURE OF CASHFLOW INFORMATION -	
Cash paid for interest and income taxes	$ 255
NON-CASH INVESTING AND FINANCING TRANSACTIONS -	
Right of use asset and lease liability for operating lease	$ 13,314

See notes to financial statements.

ANGEL FLIGHT CENTRAL, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

1. DESCRIPTION OF THE ORGANIZATION

Angel Flight Central, Inc. (the “Organization” or “AFC”) is a Missouri not-for-profit corporation established January 25, 1995. The Organization’s mission is to serve people in need by arranging charitable flights for access to healthcare and other humanitarian purposes. The Organization achieves its mission through the following primary program areas:

Missions (Flights) – The Organization arranges flights by matching qualified individuals in need with volunteer general aviation pilots or other transportation resources. The volunteer pilots provide 100% of the costs of the transportation.

Public Education – The Organization aims to increase awareness of and provide public education on the availability of free general and commercial aviation resources for those in need of faraway transportation, typically for non-emergency healthcare appointments. In addition, the Organization also aims to increase awareness and education for qualified pilots regarding their ability to volunteer their passion, time, and aircraft to help those in need while providing a meaningful volunteer experience.

National Collaboration – AFC is a member of Air Charity Network and the Air Care Alliance. Both organizations are nationwide networks formed for charitable public benefit flying, shared resources and to assist passengers through linking passenger flights throughout the United States.

Management and General and Fundraising – Provides oversight of programs, business management, record keeping, and budgeting, financing and other administrative and fundraising activities for the entire Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of Accounting Standards – In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, *Leases (Topic 842)*. The objective of this ASU, along with several related ASUs issued subsequently, is to increase transparency and comparability between organizations that enter into lease agreements. For lessees, the most significant change from the previous guidance is the requirement to recognize the right-of-use (“ROU”) lease assets and lease liabilities on the Statements of Financial Position for leases classified as operating leases. The standard also requires disclosures to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Organization adopted the new guidance effective April 1, 2023.

Leases – The Organization applies Accounting Standards Codification (“ASC”) 842, *Leases*, in determining whether an arrangement is or contains a lease at the lease inception. An arrangement is considered to include a lease if it conveys the right to control the use of identified property, plant or equipment for a period of time in excess of twelve months in exchange for consideration. The Organization defines control of the asset as the right to obtain substantially all of the economic benefits from use of the identified asset as well as the right to direct the use of the identified asset. ROU assets represent the Organization’s right to use leased assets over the term of the lease. Lease liabilities represent the Organization’s contractual obligation to make lease payments and are measured at the present value of the future lease payments over the lease term. ROU assets are calculated as the present value of the future lease payments adjusted by any deferred rent liability and lease incentives. ROU assets and lease liabilities are recognized at the lease commencement date. The Organization uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Organization has elected to use the risk-free interest rate at the lease commencement date to determine the present value of the future lease payments. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised.

Lease expense for operating leases is recognized on a straight-line basis over the lease term. Lease costs for financing leases are reflected in amortization of lease assets, and as interest expense related to the lease liability. As part of the transition to ASC 842, the Organization uses the modified retrospective approach to measure and recognize leases that existed at April 1, 2023. The Organization elects to apply ASC 842 retrospectively at the beginning of the period of adoption through a cumulative effect adjustment as of April 1, 2023, and continues to apply ASC 840 for year ended March 31, 2023.

Transition Disclosure – For leases existing at the transition date, the Organization applied the package of three transition practical expedients and therefore did not reassess whether an arrangement is or contains a lease, did not reassess lease classification, and did not reassess what qualifies as an initial direct cost. Additionally, the Organization applied the practical expedient to use hindsight for the purpose of determining the lease term. If a lease includes an extension option, the Organization will consider the changes in facts and circumstances from the initial lease commencement date through the transition date to determine if the changes in facts and circumstances require a change to the initial lease term. Lastly, the Organization applies the short-term lease exemption of not recognizing a ROU asset and lease liability for leases that have terms of 12 months or less. Under the modified retrospective approach, the adoption of ASC 842 resulted in recognition of ROU assets and lease liabilities of $13,314 as of April 1, 2023. There is no cumulative effect adjustment to the net assets with or without donor restrictions at the transition date.

Basis of Accounting and Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting 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 the following net asset classifications:

> **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. These net assets may be used at the discretion of the Organization's management and the board of directors.
>
> **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. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Donor restricted contributions whose restrictions are met in the same reporting period as the contribution is received are recognized as increases in net assets without donor restrictions.

Cash and Cash Equivalents – For purposes 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. As of March 31, 2024, the Organization held cash equivalents totaling $80,927 which consisted of money market accounts.

Contributions Receivable – Contributions receivable are stated at uncollected balances, less an allowance for doubtful accounts. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts, historical experience, and a review of subsequent collections. As of March 31, 2024, there were no outstanding contributions receivable.

Investment Valuation and Income Recognition – Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair value in the statement of financial position, and changes in fair value are reported as investment return in the statement of activities. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on the average costs and are recorded in the statement of activities in the period in which the securities are sold. Interest is recorded on the accrual basis. Dividends are accrued as of the ex-dividend date.

***Beneficial Interest in Assets Held by Community Foundation* –** The Organization has transferred assets to the Greater Kansas City Community Foundation ("GKCCF") to establish the Angel Flight Central Legacy Fund. At the time of the transfer, AFC named itself as the beneficiary of the fund, and also granted variance power to GKCCF. That power gives GKCCF the right to make the final decision regarding distributions from the funds. The Fund is invested in various pooled investment funds managed by GKCCF. The pooled investment funds are valued at net asset value, which estimates fair value. Investment return is reflected in the Statement of Activities as without donor restriction.

***Cash Surrender Value of Life Insurance* –** AFC is the beneficiary of a whole-life insurance policy. The death benefit of the policy is $50,000. The policy is recognized in the Statement of Financial at the current cash surrender value of the policy.

***Property and Equipment* –** Property and equipment are carried at cost, or fair value if donated. Major renewals and improvements are capitalized, and maintenance and repairs that do not improve or extend the life of the respective assets are expensed. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

***Revenue and Revenue Recognition* –** The Organization recognizes special event revenue equal to the fair value of direct benefits to the donor, and contribution revenue as the amounts paid in excess of the fair value of the direct benefits to the donor.

The Organization recognizes contributions when cash, securities or other assets, or an unconditional promise to give is received. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return or cancellation of future payments, are not recognized until the conditions on which they depend have been substantially met. There were no conditional promises to give received as of March 31, 2024.

***Donated Services and In-Kind Contributions* –** Donated marketable securities, property and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. Contributed services are recognized as contributions if the services create or enhance non-financial assets or require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Organization if not contributed. Such contributions are recognized as contribution revenue, and as an expense in the statement of activities.

Although these services did not meet the criteria for recognition in the financial statements, unpaid volunteers have provided over 2,800 hours in support of the Organization's program and fundraising activities for the year ended March 31, 2024.

***Functional Expenses* –** The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related benefits, payroll taxes, occupancy, office supplies/expenses, database and internet. Allocation of these expenses is based on annual time studies to determine an estimate of time and effort.

***Income Taxes* –** No provision for income taxes has been recorded, as the Organization is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

The Organization accounts for uncertain tax positions in accordance with the provisions of Financial Accounting Standards Board ("FASB") Codification Topic *Income Taxes*. *Income Taxes* clarifies the accounting for uncertainty in income taxes and requires the Organization to recognize in their financial statements the impact of a tax position taken or expected to be taken in a tax return, if that position is more likely than not to be sustained under audit, based on the technical merits of the position. Management has assessed the tax positions of the Organization and determined that no positions exist that require adjustment or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2020.

***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 the reported amounts of assets, liabilities and changes therein, and disclosures 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.

***Date of Management's Review* –** Subsequent events have been evaluated through August 19, 2024, which is the date the financial statements were available to be issued, and there were no events requiring recognition or disclosure in the financial statements.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization receives significant contributions and promises to give from donors, which are available to meet cash needs for general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

Although the Organization does not intend to spend from the beneficial interest in assets held at the community foundation (other than amounts appropriated for general expenditure as part of the Board's annual budget approval), these amounts could be made available, if necessary.

As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in short-term money market accounts and certificates of deposit.

The Organization's goal is to maintain financial assets to meet 60 to 120 days of operating expenses based on the annual budget. The annual operating expense budget for 2024-2025 is approximately $800,000.

The following represents the Organization's financial assets as of March 31:

Financial assets at period end:	
Cash and cash equivalents	$ 380,752
Investments	849,227
Contributions and agency funds receivable	
Beneficial interest in assets held at community foundation	1,051,084
Total financial assets	2,281,063
Amounts not available to be used within one year:	
Beneficial interest in assets held at community foundation	1,051,084
Financial assets available to meet general expenditures withing one year	$ 1,229,979

4. FAIR VALUE MEASUREMENTS AND DISCLOSURES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy are described as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as 1) quoted prices for similar assets or liabilities, 2) quoted prices for identical or similar assets in inactive markets, 3) inputs other than quoted prices that are observable, and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset has a specified (contractual) term, the level 2 input must be observable for substantially the full term.

Level 3 – Unobservable inputs supported by little or no market activity and are significant to the fair value of the asset or liability

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at March 31, 2024:

Mutual funds and money market funds – Valued at the closing price reported on the active market on which the individual securities are traded.

Certificates of deposit – Valued at cost, plus accrued interest, which approximates fair value.

Beneficial interest in assets held by community foundation – Fair value is determined using net asset value of the pooled investment funds, which estimates fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The following table presents the fair value measurements of assets and liabilities recognized in the accompanying Statement of Financial Position on a recurring basis:

		Fair Value Measurements Using:		
	Fair Value	**Level 1**	**Level 2**	**Level 3**
March 31, 2024:				
Money market funds	$ 461,015	$ 461,015		
Certificates of deposit	388,212		$ 388,212	
Beneficial interest pooled funds:				
Domestic equity	457,096		457,096	
International equity	180,429		180,429	
Fixed income	362,580		362,580	
Money market	50,979		50,979	
	$ 1,900,311	$ 461,015	$ 1,439,296	$ -

Total return on investments and beneficial interest in assets held by community foundation as included in the Statement of Activities is as follows:

Interest and dividend income	$ 39,528
Net realized and unrealized (losses) gains on beneficial interest in assets held at community foundation	144,627
Investment expenses	(7,746)
	$ 176,409

5. LEASING ACTIVITIES

The Organization leases office space and office equipment under leasing agreements ranging from one to five years. The current lease for the office space expired on April 1, 2024, and was renewed on May 1, 2024, under a one-year agreement. This lease qualifies for the short-term lease exception, and as such a right of use asset or lease liability has not been recognized.

The leases for the office equipment relate to a copier and postage machine. These leases require monthly or quarterly payments and are classified as operating leases. Additional disclosure of leasing activities as of March 31, 2024:

Maturity of lease liabilities:

	Operating
2024-25	$ 3,647
2025-26	3,258
2026-27	2,091
2027-28	2,091
2028-29	1,445
Thereafter	
Total undiscounted lease payments	12,532
Less imputed interest	(1,508)
Present value of lease liabilities	$ 11,024
Weighted average remaining lease term	3.0 years
Weighted average discount rate	4.0%

Lease activities are in the following line items in the Statement of Functional Expenses:

Operating lease - printing	$ 2,677
Operating lease - postage	$ 1,556
Short-term office lease - Occupancy	$ 6,273

Supplemental cash flow information:

Cash paid for amounts included in the measurment of lease liabilities:

Operating cash flows from operating leases	$ 2,285

Right of use assets obtained in exchange for lease liabilities:

Operating leases	$ 13,314

6. NET ASSETS AND BOARD DESIGNATIONS

Net assets without donor restrictions are available for the following purposes as of March, 31, 2024:

Undesignated	$ 1,201,854
Board designations -	
AFC Legacy Fund	1,051,084
	$ 2,252,938

Angel Flight Central Legacy Fund – The purpose of the Fund is to serve as long-term support for the Organization. The Funds annual net income, defined as 5% of the average past three year-end Fund balances, may be distributed to the Organization upon written request by 2 designated officers or Board members of AFC. Any portion of net income not distributed during calendar year is added to principal.

Distributions in excess of the annual net income, up to the entire Fund balance, may be allowed under extraordinary circumstances. Any such distributions of principal require authorization by a majority vote of AFC's Board of Directors and written request to the GKCCF Board of Directors.

7. CONCENTRATION OF CREDIT RISK

The Organization maintains its checking accounts and money market accounts at local financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. At March 31, 2024, the Organization's uninsured cash balances totaled approximately $50,000.

The Organization invests in money market funds, certificates of deposit, and in pooled accounts held and managed by GKCCF. These investments hold various securities, such as U.S. Government Securities, corporate debt instruments, corporate stocks and mutual funds. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities could occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

8. RETIREMENT PLAN

The Organization sponsors a Simple IRA plan for substantially all full-time employees. Employees are eligible to participate for purposes of making salary reduction contributions immediately. The employer contributes 3% of each full-time employee's compensation on a monthly basis. The Organization made contributions in the amount of $7,927 for the year ended March 31, 2024.

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