

NORDIC NORTHWEST

Reviewed Financial Statements

For the year ended March 31, 2026



McDONALD JACOBS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Nordic Northwest

We have reviewed the accompanying financial statements of Nordic Northwest (a nonprofit organization), which comprise the statement of financial position as of March 31, 2026, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Nordic Northwest 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.

Report on Summarized Comparative Information

The comparative information as of and for the year ended March 31, 2025 is presented for the purpose of additional analysis and is not a required part of the March 31, 2026 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 2025 financial statements, and we expressed an unmodified conclusion on those financial statements in our report dated August 18, 2025. The comparative financial information was subjected to the review procedures applied in our review of the 2025 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 Jacobz, P.C.

Portland, Oregon
September 1, 2026

NORDIC NORTHWEST
STATEMENT OF FINANCIAL POSITION
March 31, 2026
(With comparative totals for 2025)

	<u>2026</u>	<u>2025</u>
ASSETS		
Cash and cash equivalents	\$ 129,303	\$ 38,969
Pledges receivable	3,200	58,250
Accounts receivable	27,439	30,840
Prepaid expenses and other assets	17,900	15,896
Investments	3,033,589	3,255,112
Property and equipment, net	4,614,734	4,748,172
Museum collection and artwork	<u>139,642</u>	<u>139,642</u>
 TOTAL ASSETS	 <u>\$ 7,965,807</u>	 <u>\$ 8,286,881</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 107,292	\$ 103,283
Deferred revenue	<u>127,219</u>	<u>123,323</u>
Total liabilities	<u>234,511</u>	<u>226,606</u>
Net assets:		
Without donor restrictions:		
Undesignated	878,626	1,130,230
Board designated	1,634,521	1,498,587
Net property and equipment	<u>4,614,734</u>	<u>4,748,172</u>
Total without donor restrictions	7,127,881	7,376,989
With donor restrictions	<u>603,415</u>	<u>683,286</u>
Total net assets	<u>7,731,296</u>	<u>8,060,275</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 7,965,807</u>	 <u>\$ 8,286,881</u>

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

NORDIC NORTHWEST
STATEMENT OF ACTIVITIES
For the year ended March 31, 2026
(With comparative totals for 2025)

	2026			2025
	Without Donor	With Donor		
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>	<u>Total</u>
Support and Revenue:				
Contributions	\$ 347,882	\$ 6,935	\$ 354,817	\$ 351,318
Special events, net of direct expenses of \$47,413 for 2026 (\$51,736 for 2025)	117,475	-	117,475	105,850
Memberships	55,375	-	55,375	64,235
Donated assets, materials and services	26,597	-	26,597	41,007
Program fees	249,421	-	249,421	253,545
ScanFair program	181,009	-	181,009	170,054
Rental income	390,261	-	390,261	431,543
Other income	875	-	875	2,352
Net assets released from restrictions:				
Satisfaction of purpose restrictions	92,428	(92,428)	-	-
Total support and revenue	<u>1,461,323</u>	<u>(85,493)</u>	<u>1,375,830</u>	<u>1,419,904</u>
Expenses:				
Program services	1,330,659	-	1,330,659	1,292,322
Management and general	233,822	-	233,822	199,846
Fundraising	190,049	-	190,049	185,826
Total expenses	<u>1,754,530</u>	<u>-</u>	<u>1,754,530</u>	<u>1,677,994</u>
Change in net assets from operations	(293,207)	(85,493)	(378,700)	(258,090)
Nonoperating activities:				
Change in cash value of life insurance policy	-	69	69	62
Investment income and change in value of investments	<u>44,099</u>	<u>5,553</u>	<u>49,652</u>	<u>115,711</u>
Change in net assets	(249,108)	(79,871)	(328,979)	(142,317)
Net assets:				
Beginning of year	<u>7,376,989</u>	<u>683,286</u>	<u>8,060,275</u>	<u>8,202,592</u>
End of year	<u>\$ 7,127,881</u>	<u>\$ 603,415</u>	<u>\$ 7,731,296</u>	<u>\$ 8,060,275</u>

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

NORDIC NORTHWEST
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended March 31, 2026
(With comparative totals for 2025)

	2026				2025
	Program Services	Management and General	Fundraising	Total	Total
Salaries and related expenses	\$ 547,093	\$ 72,596	\$ 154,371	\$ 774,060	\$ 863,963
Building and other related expenses	279,440	11,032	12,624	303,096	248,127
Program expenses	88,522	-	5,887	94,409	87,724
Office expense	93,798	12,130	11,648	117,576	114,790
Insurance	25,269	7,901	-	33,170	29,746
Newsletter	909	-	4,893	5,802	15,003
Professional services	46,271	101,898	13,229	161,398	64,877
Marketing and events	16,460	2,516	190	19,166	16,424
Exhibits	43,434	787	25,450	69,671	75,482
Depreciation	181,621	9,559	-	191,180	185,274
Other costs	<u>7,842</u>	<u>15,403</u>	<u>9,170</u>	<u>32,415</u>	<u>28,320</u>
	1,330,659	233,822	237,462	1,801,943	1,729,730
Less event expenses netted with revenue on statement of activities:					
Special events	<u>-</u>	<u>-</u>	<u>(47,413)</u>	<u>(47,413)</u>	<u>(51,736)</u>
Total expenses	<u>\$ 1,330,659</u>	<u>\$ 233,822</u>	<u>\$ 190,049</u>	<u>\$ 1,754,530</u>	<u>\$ 1,677,994</u>

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

NORDIC NORTHWEST
STATEMENT OF CASH FLOWS
For the year ended March 31, 2026
(With comparative totals for 2025)

	<u>2026</u>	<u>2025</u>
Cash flows from operating activities:		
Change in net assets	\$ (328,979)	\$ (142,317)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	191,180	185,274
Contributed assets	-	(2,527)
Change in value of investments	23,559	(101,605)
(Increase) decrease:		
Pledges and accounts receivable	58,451	71,240
Prepaid expenses and other assets	(2,004)	5,000
Increase (decrease):		
Accounts payable and accrued expenses	4,009	(17,314)
Deferred revenue	3,896	4,940
Net cash flows from operating activities	<u>(49,888)</u>	<u>2,691</u>
Cash flows from investing activities:		
Proceeds from the sale of investments	1,356,000	1,726,386
Purchase of investments	(1,158,036)	(2,015,800)
Additions to property and equipment and artwork	<u>(57,742)</u>	<u>(130,045)</u>
Net cash flows from investing activities	<u>140,222</u>	<u>(419,459)</u>
Net change in cash and cash equivalents	90,334	(416,768)
Cash and cash equivalents - beginning of year	<u>38,969</u>	<u>455,737</u>
Cash and cash equivalents - end of year	<u><u>\$ 129,303</u></u>	<u><u>\$ 38,969</u></u>

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

NORDIC NORTHWEST
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

I. DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nordic Northwest (the Organization) was incorporated under the laws of the State of Oregon on June 4, 1985 as a nonprofit corporation. The Organization operates to highlight, honor, educate, communicate, promote and celebrate Nordic culture and traditions, ancestral, modern and contemporary; and to provide value and serve members by developing and making available and accessible Nordic cultural and educational programming that is rich, authentic and forward looking. The Organization is accomplishing this purpose with its cultural center and by sponsoring an educational outreach program and Nordic cultural events, as well as various functions such as lectures and performances. The Organization is supported by contributions, program services, rental income and memberships.

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.

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. Cash equivalents included in investments are considered investments.

Pledges Receivable

Pledges receivable are reported at the amount management expects to collect on balances outstanding at year-end. Management believes receivables are fully collectible; therefore, no allowance for uncollectible amounts is reflected. Unconditional promises to give expected to be collected in future years, if material to the financial statements, are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities.

See independent accountant's review report.

NORDIC NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
March 31, 2026

I. DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are unsecured, consist of amounts billed for program services and space rental, and are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. In determining the amount of the allowance as of the statement of financial position date, the Organization estimates an overall loss rate to the balances outstanding at year end. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions.

Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for trade receivables held at March 31, 2026 and 2025 because the composition of the trade receivables at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. There was no allowance for credit losses established at March 31, 2026 and 2025 as management has determined any potential credit losses would be insignificant.

Investments

Investments are carried at fair value. Investment income earned on the donor-restricted endowment is reported as an increase in net assets with donor restrictions until appropriated for expenditure by the Board of Directors and released to net assets without donor restrictions.

Property and Equipment

Additions to property and equipment greater than \$1,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the various assets.

Museum Collection and Artwork

Museum collection and artwork are recorded at cost if purchased and at appraised or fair value at date of accession if donated. Gains and losses from deaccessions are reported as changes in net assets based on the absence or existence and nature of donor-imposed restrictions.

See independent accountant's review report.

NORDIC NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
March 31, 2026

I. DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenue Recognition

Revenues from various sources are recognized as follows:

Contributions: Contributions, 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.

Special Events: 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.

Memberships: Membership payments are considered equivalent to contributions without donor restrictions and are recognized as revenue when received. Value expected to be received by donors expires annually and any unused benefits at the end of the fiscal year is insignificant.

Program Fees and ScanFair: Program fees and ScanFair are recognized as revenue in the period that services are provided. Advance payments are recorded as deferred revenue and are recognized when the service is provided.

Rental Income: Rental income is for one-time use of facilities and fees from a local Nordic restaurant and is recognized on an accrual basis. Advance payments are recorded as deferred revenue and are recognized when the rental is provided. Advanced payments are included in deferred revenue and total \$81,302 and \$70,063 at March 31, 2026 and 2025, respectively.

Donated Assets, 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.

See independent accountant's review report.

NORDIC NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
March 31, 2026

I. DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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. The expenses that are allocated include salaries and related costs, building and related expenses, office, insurance, and depreciation, which are allocated on the basis of estimates of time and effort and square footage.

Income Tax Status

The Organization 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 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 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.

Summarized Financial Information for 2025

The financial information as of March 31, 2025 and for the year then ended is presented for comparative purposes and is not intended to be a complete financial statement presentation.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

The Organization has evaluated all subsequent events through September 1, 2026, the date the financial statements were available to be issued.

See independent accountant's review report.

NORDIC NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
March 31, 2026

2. 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 March 31, 2026 and 2025:

	2026	2025
Cash and cash equivalents	\$ 129,303	\$ 38,969
Pledges receivable	3,200	58,250
Accounts receivable	27,439	30,840
Investments	<u>3,033,589</u>	<u>3,255,112</u>
	3,193,531	3,383,171
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions	(589,494)	(669,365)
Net assets with board designations	<u>(1,634,521)</u>	<u>(1,498,587)</u>
Financial assets available for general expenditure	<u>\$ 969,516</u>	<u>\$ 1,215,219</u>

The Organization's endowment consists of donor-restricted endowment funds and funds designated by the Board as endowment. See Note 10 regarding endowment. The board-designated endowment may be spent with approval of the Board of Directors. See Note 8 regarding board designated net assets. Also see Note 7 for information on financial resources available through the Organization's line of credit.

3. PLEDGES RECEIVABLE

Pledges receivable at March 31, 2026 and 2025 represent unconditional pledges which are receivable within one year.

See independent accountant's review report.

NORDIC NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
March 31, 2026

4. CASH VALUE OF LIFE INSURANCE POLICY

The Organization is the beneficiary of a life insurance policy. At March 31, 2026, the remaining policy with a net death benefit of approximately \$11,900, is reflected at the guaranteed cash value of approximately \$10,800, net of an outstanding loan of \$3,400. The proceeds from the net cash value or death benefits under this policy will be available for use in accordance with restrictions stipulated by the donor. Changes in the cash value of the policy are reflected in the statement of activities.

At March 31, 2025, the policy had a cash value (net of outstanding loan of \$3,400) of approximately \$10,700.

5. INVESTMENTS

Investments consist of the following at March 31, 2026 and 2025:

	2026	2025
Cash and cash equivalents	\$ 150,010	\$ 30,359
Certificates of deposit	299,691	309,817
U.S. Treasury bills	737,950	1,190,180
Mutual funds - equity	1,845,938	1,724,756
Total investments	<u>\$ 3,033,589</u>	<u>\$ 3,255,112</u>

Investments are held as follows:

Investments held in endowment (Note 10)	\$ 2,179,858	\$ 2,063,904
Investments available for operations	853,731	1,191,208
	<u>\$ 3,033,589</u>	<u>\$ 3,255,112</u>

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at March 31, 2026 and 2025:

	2026	2025
Land and improvements	\$ 785,469	\$ 785,469
Building	5,189,296	5,166,970
Furniture and equipment	426,298	388,509
Construction in progress	51,577	53,950
Total property and equipment	6,452,640	6,394,898
Less accumulated depreciation	(1,837,906)	(1,646,726)
Property and equipment, net	<u>\$ 4,614,734</u>	<u>\$ 4,748,172</u>

See independent accountant's review report.

NORDIC NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
March 31, 2026

7. LINE OF CREDIT

The Organization has a \$200,000 unsecured revolving line-of-credit that matures June 2027. Interest on outstanding advances is payable monthly at the bank's prime rate (6.75% and 7.5% at March 31, 2026 and 2025, respectively) plus 1.20%. There are no advances outstanding at March 31, 2026 and March 31, 2025.

8. BOARD-DESIGNATED NET ASSETS

The Organization's board-designated net assets consist of net assets without donor restrictions designated to be treated as an endowment to support long-term operations. See Note 10, Endowment.

9. NET ASSET WITH DONOR RESTRICTIONS

Net assets with donor restrictions include the following at March 31, 2026 and 2025:

	2026	2025
Expiring restrictions:		
Programs	\$ 33,396	\$ 93,356
Time restricted	10,761	10,692
Accumulated endowment earnings (Note 10)	45,337	65,317
Total expiring restrictions	<u>89,494</u>	<u>169,365</u>
Perpetual restrictions:		
Museum collection	13,921	13,921
Endowment (Note 10)	500,000	500,000
Total perpetual restrictions	<u>513,921</u>	<u>513,921</u>
Total net assets with donor restrictions	<u>\$ 603,415</u>	<u>\$ 683,286</u>

10. ENDOWMENT

Nordic Northwest's endowment funds consists of funds established for long-term support of the Organization. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as an endowment. As required by U.S. generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as an endowment, are classified and reported based on the existence or absence of donor-imposed restrictions or board designations.

See independent accountant's review report.

NORDIC NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
March 31, 2026

10. ENDOWMENT, Continued

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted Oregon's Uniform Prudent Management of Institutional Funds Act (UPMIFA or the Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with perpetual restrictions, (a) the original value of gifts donated to the permanent endowment (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with perpetual restrictions is classified as net assets with expiring restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the Act.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) Organization and the donor-restricted endowment fund purposes
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and investment appreciation
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

Endowment net asset composition consists of the following at March 31, 2026 and 2025:

	Without Donor Restrictions	With Donor Restrictions		Total
		Expiring	Perpetual	
March 31, 2026				
Donor-restricted	\$ -	\$ 45,337	\$ 500,000	\$ 545,337
Board-designated	1,634,521	-	-	1,634,521
Endowment total	<u>\$ 1,634,521</u>	<u>\$ 45,337</u>	<u>\$ 500,000</u>	<u>\$ 2,179,858</u>
March 31, 2025				
Donor-restricted	\$ -	\$ 65,317	\$ 500,000	\$ 565,317
Board-designated	1,498,587	-	-	1,498,587
Endowment total	<u>\$ 1,498,587</u>	<u>\$ 65,317</u>	<u>\$ 500,000</u>	<u>\$ 2,063,904</u>

See independent accountant's review report.

NORDIC NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
March 31, 2026

10. ENDOWMENT, Continued

Changes in endowment net assets for the years ended March 31, 2026 and 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions		Total
		Expiring	Perpetual	
Balance, March 31, 2024	\$ 1,452,096	\$ 70,725	\$ 500,000	\$ 2,022,821
Contributions	2,527	-	-	2,527
Net investment returns	43,964	18,256	-	62,220
Appropriated for expenditure	-	(23,664)	-	(23,664)
Balance, March 31, 2025	1,498,587	65,317	500,000	2,063,904
Contributions	129,357	-	-	129,357
Net investment returns	6,577	5,553	-	12,130
Appropriated for expenditure	-	(25,533)	-	(25,533)
Balance, March 31, 2026	<u>1,634,521</u>	<u>\$ 45,337</u>	<u>\$ 500,000</u>	<u>\$ 2,179,858</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Act requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies at March 31, 2026 and 2025.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy

The Organization's spending policy states that distributions will be permitted to the extent that such distributions do not exceed a level that would erode the fund's real assets over time.

See independent accountant's review report.

NORDIC NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
March 31, 2026

II. 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 and unbilled receivables (contract assets) and customer advances and deposits (contract liabilities) on the statement of financial position.

Revenue from customers is recognized at the time services are performed.

	<u>2026</u>	<u>2025</u>
Revenue by type:		
Revenue recognized over service period:		
Memberships*	\$ 55,375	\$ 64,235
Revenue recognized at a point in time:		
Program fees	249,421	253,545
ScanFair sponsors	14,500	13,000
ScanFair program fees	<u>166,509</u>	<u>157,054</u>
Total contract revenue	<u>\$ 485,805</u>	<u>\$ 487,834</u>

* The contribution portion of memberships is reported on the statement of activities with contributions. Benefits are limited and management estimates that most benefits are utilized before the end of the fiscal year and, as such, no deferred revenue has been recorded for membership.

The beginning and ending contract balances are as follows:

	<u>March 31,</u>		
	<u>2026</u>	<u>2025</u>	<u>2024</u>
Contract assets:			
Accounts receivable - memberships	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ -</u>
Contract liability:			
Deferred revenue - program	<u>\$ 45,917</u>	<u>\$ 53,260</u>	<u>\$ 25,076</u>

Revenue recognized during the years ended March 31, 2026 and 2025 that was included in the contract liability balance at the beginning of the year was \$53,260 and \$25,076, respectively.

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NOTES TO FINANCIAL STATEMENTS, Continued
March 31, 2026

12. DONATED ASSETS, MATERIALS AND SERVICES

During the years ended March 31, 2026 and 2025, the Organization received the following donated assets, materials and services:

	2026	2025
Programs:		
Advertising services	\$ 3,544	\$ 5,702
Professional fees	500	11,565
Supplies and storage	20,699	14,904
Management and general:		
Professional fees	-	2,616
Supplies	567	5
Fundraising:		
Advertising services	-	1,890
Professional fees	605	998
Supplies	682	3,327
Total donated assets, materials and services	<u>\$ 26,597</u>	<u>\$ 41,007</u>

The Organizations receives supplies and services that support programs, management and general, and fundraising events. Donated supplies and services are recorded at fair value based on the current cost to acquire the supplies and services and the cost of comparable supplies and services.

13. RETIREMENT PLAN

The Organization has a defined contribution 403(b) plan (the Plan) that is available to substantially all employees. Employee contributions to the plan are voluntary. The employer contribution is established annually by the Board of Directors. Participants are eligible for an employer discretionary contribution of 6% of eligible wages. During the years ended March 31, 2026 and 2025, the Organization made contributions to the plan totaling \$27,581 and \$44,955, respectively.

14. CONCENTRATIONS OF CASH BALANCES ARISING FROM DEPOSITS IN EXCESS OF INSURED LIMITS

The Organization maintains its cash balances in a financial institution located in Portland. Balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Balances at times may exceed insured limits.

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NORDIC NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
March 31, 2026

15. 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.

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.

Fair values of assets measured on a recurring basis at March 31, 2026 and 2025 are as follows:

March 31, 2026	Fair Value	Level 1	Level 2
U.S. Treasury bills	\$ 737,950	\$ 737,950	\$ -
Mutual funds - equity	1,845,938	1,845,938	-
Cash value of life insurance policy	10,761	-	10,761
Total	<u>\$ 2,594,649</u>	<u>\$ 2,583,888</u>	<u>\$ 10,761</u>
March 31, 2025			
U.S. Treasury bills	\$ 1,190,180	\$ 1,190,180	\$ -
Mutual funds - equity	1,724,756	1,724,756	-
Cash value of life insurance policy	10,692	-	10,692
Total	<u>\$ 2,925,628</u>	<u>\$ 2,914,936</u>	<u>\$ 10,692</u>

Fair values for treasury securities and mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions.

Fair values of life insurance policies are determined using an income approach in accordance with contract terms using published life expectancy tables and applicable discount rates and net of outstanding loans.

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NORDIC NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
March 31, 2026

16. RELATED PARTY DISCLOSURE

The Organization purchased services from a company owned by a member of the Board approximating \$22,200 and \$53,800 during the years ended March 31, 2026 and 2025, respectively. The Organization, at times, may receive donated services from Board members (See Note 12, Donated Assets, Materials and Services).

See independent accountant's review report.