

Williamstown Community Chest

Financial Statements
September 30, 2024 and 2023

Williamstown Community Chest
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Partners

Jeffrey D. Belair, CPA
Bryon M. Sherman, CPA
Colin H. Smith, CPA, MSPA

Principal

Karen M. Kowalczyk, CPA



Independent Auditors' Report

To the Board of Directors
Williamstown Community Chest

We have audited the accompanying financial statements of Williamstown Community Chest (a nonprofit organization), which comprise the statements of financial position as of September 30, 2024 and 2023 the related statements of activities, functional expenses and cash flows for the years 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 Williamstown Community Chest as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits 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 Williamstown Community Chest and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Williamstown Community Chest'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 it 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 Williamstown Community Chest'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 Williamstown Community Chest'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.

Smith, Watson & Company, LLP

Smith, Watson & Company, LLP
Certified Public Accountants
Pittsfield, MA
July 22, 2025

Williamstown Community Chest
Statements of Financial Position
As of September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 168,794	\$ 212,022
Pledges receivable	23,859	23,489
Prepaid expense and security deposit	<u>500</u>	<u>1,605</u>
Total Current Assets	193,153	237,116
Long term investments	2,188,725	1,855,684
Property, plant and equipment, net of accumulated depreciation	<u>972</u>	<u>564</u>
Total Assets	<u><u>\$ 2,382,850</u></u>	<u><u>\$ 2,093,364</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ -	\$ 674
Accrued payroll and payroll taxes	3,040	2,829
Credit card payable	<u>172</u>	<u>130</u>
Total Current Liabilities	<u>3,212</u>	<u>3,633</u>
Total Liabilities	3,212	3,633
Net Assets		
Without donor restrictions	1,434,146	1,268,105
With donor restrictions	<u>945,492</u>	<u>821,626</u>
Total Net Assets	2,379,638	2,089,731
Total Liabilities and Net Assets	<u><u>\$ 2,382,850</u></u>	<u><u>\$ 2,093,364</u></u>

The accompanying notes are an integral part of these financial statements.

Williamstown Community Chest
Statements of Activities
For the Years Ended September 30, 2024 and 2023

	Without Donor Restrictions	With Donor Restrictions	2024	Without Donor Restrictions	With Donor Restrictions	2023
Revenues, Gains and Other Support						
Public support contribution	\$ 287,977	\$ -	\$ 287,977	\$ 300,126	\$ 2,500	\$ 302,626
Special events	2,896	-	2,896	8,364	-	8,364
Other income and support	87,977	-	87,977	48,673	-	48,673
Investment return, net	225,870	167,424	393,294	120,381	86,734	207,115
Bank interest	1,035	-	1,035	987	-	987
Rental income from sublease	3,000	-	3,000	3,000	-	3,000
Net assets released from restrictions	43,558	(43,558)	-	56,624	(56,624)	-
Total Revenues, Gains and Other Support	652,313	123,866	776,179	538,155	32,610	570,765
Expenses						
Program expenses	368,056	-	368,056	364,759	-	364,759
Management and general	55,147	-	55,147	51,095	-	51,095
Fundraising	63,069	-	63,069	60,940	-	60,940
Total Expenses	486,272	-	486,272	476,794	-	476,794
Change in Net Assets	166,041	123,866	289,907	61,361	32,610	93,971
Net Assets, October 1	1,268,105	821,626	2,089,731	1,206,744	789,016	1,995,760
Net Assets, September 30	\$ 1,434,146	\$ 945,492	\$ 2,379,638	\$ 1,268,105	\$ 821,626	\$ 2,089,731

The accompanying notes are an integral part of these financial statements.

Williamstown Community Chest

Statements of Functional Expenses

For the Years Ended September 30, 2024 and 2023

	Program Services	Management and General	Fundraising	2024	Program Service	Management and General	Fundraising	2023
Salaries	\$ -	\$ 16,448	\$ 49,343	\$ 65,791	\$ -	\$ 16,774	\$ 50,323	\$ 67,097
Payroll taxes	-	1,323	3,967	5,290	-	1,351	4,052	5,403
Professional fees	-	13,254	-	13,254	-	11,195	-	11,195
Advertising and promotion	-	1,195	375	1,570	45	665	150	860
Bad debt expense	-	4,784	-	4,784	-	3,257	-	3,257
Office expenses	1,273	2,330	161	3,764	288	2,958	467	3,713
Contributions to agencies	363,222	-	-	363,222	361,498	-	-	361,498
Occupancy costs	-	6,000	-	6,000	-	6,000	-	6,000
Travel	-	91	-	91	-	40	-	40
Communication	-	2,245	-	2,245	-	2,815	-	2,815
Depreciation of tangible assets	-	307	-	307	-	564	-	564
Insurance	-	5,038	-	5,038	-	3,427	-	3,427
Other supplies	-	-	736	736	117	-	381	498
Licenses, fees and miscellaneous	564	1,777	1,272	3,613	-	1,611	1,144	2,755
Postage and shipping	132	326	2,405	2,863	123	302	1,288	1,713
Printing	660	29	4,810	5,499	597	136	3,135	3,868
Community events	2,205	-	-	2,205	2,091	-	-	2,091
Total Expenses	\$ 368,056	\$ 55,147	\$ 63,069	\$ 486,272	\$ 364,759	\$ 51,095	\$ 60,940	\$ 476,794

The accompanying notes are an integral part of these financial statements.

Williamstown Community Chest
Statements of Cash Flows
For the Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 289,907	\$ 93,971
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation expense	307	564
Bad debt expense	4,784	3,257
Unrealized (gain) loss on investments	(319,599)	(145,554)
Realized (gain) loss on investments	(1,736)	1,210
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	(5,154)	(3,432)
(Increase) decrease in prepaid expense and other assets	1,105	93
Increase (decrease) in accounts payable	(674)	674
Increase (decrease) in accrued payroll and payroll tax	209	110
Increase (decrease) in credit card payable	42	130
NET CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>(30,809)</u>	<u>(48,977)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments to acquire property, plant, and equipment	(715)	-
Payments to acquire marketable securities	(31,704)	(102,272)
Proceeds from sale and maturity of marketable securities	20,000	123,999
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	<u>(12,419)</u>	<u>21,727</u>
Net cash increase (decrease) in cash and cash equivalents	(43,228)	(27,250)
Cash and cash equivalents at beginning of period	<u>212,022</u>	<u>239,272</u>
Cash and cash equivalents at end of period	<u><u>\$ 168,794</u></u>	<u><u>\$ 212,022</u></u>

The accompanying notes are an integral part of these financial statements.

1. Significant Accounting Policies

Nature of business

Williamstown Community Chest (the Organization), founded in October of 1946, is a not-for-profit tax exempt organization under section 501(c)(3) of the Internal Revenue Code. The Organization's purpose is to solicit funds from businesses and individuals in Williamstown Massachusetts and to administer funding requests of its member agencies.

Basis of accounting

The accompanying financial statements have been prepared utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization reports 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 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 the 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 statements of activities. If a restriction is fulfilled in the same year in which the contribution is received, the Organization reports the support within net assets without donor restrictions.

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures. Actual results could differ from those estimates and may have impact on future periods.

Cash and cash equivalents

Cash and cash equivalents include certificates of deposits with maturity dates of less than 90 days, deposits in bank accounts, and money market accounts. The money market accounts are recorded at cost, which approximates current market value.

1. Significant Accounting Policies (continued)

Revenue recognition

Contributions and grants are recognized at the time they are pledged. Contributions and grants are presented as restricted support if they are received with donor stipulations that limit the use of the donated assets. Restricted amounts 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 statements of activities. If a restriction is fulfilled in the same year in which the contribution is received, the Organization reports the support within net assets without donor restrictions.

Pledges receivable

Pledges receivable are recognized when the donor makes a pledge to give to the Organization that is, in substance, unconditional. Pledge receivables are typically due within one year or less and therefore are recorded without any present value discount. Pledges receivable are written off when deemed appropriate on a case-by-case basis.

Property, plant and equipment

Property, plant and equipment is stated at cost or fair market value if donated. Expenditures in excess of \$500 and a useful life of greater than one year are capitalized. Depreciation is calculated based upon the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives of furniture and office equipment is five years.

Repairs and maintenance items which do not extend the useful lives of the fixed assets are expensed accordingly.

Designations payable

Contributions that are designated to a specific third-party beneficiary are recorded as a liability at the time that the contribution is received. Designations payable at September 30, 2024 and 2023 was \$0.

Advertising cost

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was \$1,570 and \$860 for the years ended September 30, 2024 and 2023, respectively.

1. Significant Accounting Policies (continued)

Leases

The Organization determines if an arrangement is a lease at inception. Right-of-use (ROU) assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised.

The Organization has elected not to report ROU assets or corresponding liabilities on short-term leases of twelve months or less. Lease expenses on short-term leases are recognized on a straight-line basis over the lease term in the statement of functional expenses as occupancy costs.

Allocation of functional expenses

The costs of providing the various programs and other activities have been summarized in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services based upon management's estimates of time and effort.

Subsequent events

Subsequent events and transactions have been evaluated by management through July 22, 2025, the date the financial statements were issued. Material subsequent events, if any, are disclosed in a separate note to these financial statements.

2. Availability and liquidity

The following represents the Organization's financial assets reduced by amounts not available or not expected to be used for general use because of contractual, donor-imposed or internal budgetary restrictions within one year of the statement of financial position:

	2024	2023
Financial assets at year end		
Cash and cash equivalents	\$ 168,794	\$ 212,022
Pledges receivable	23,859	23,489
Long term investments	2,188,725	1,855,684
Subtotal	2,381,378	2,091,195

2. Availability and liquidity (continued)

	<u>2024</u>	<u>2023</u>
Less amounts not available to be used within one year		
Board designated assets	(1,299,229)	(1,117,655)
Net assets with donor restrictions	<u>(945,492)</u>	<u>(821,626)</u>
Total	<u>\$ 136,657</u>	<u>\$ 151,914</u>

The Organization manages its liquidity and reserves by (1) operating within a prudent range of financial soundness and stability and (2) maintaining adequate liquid assets to fund near-term operating needs. 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. If funds are needed for expenses, management can request the Board to undesignate previously designated assets. In addition, management can review discretionary spending to meet certain cash needs.

3. Property, plant and equipment

Property, plant and equipment consist of the following:

	<u>2024</u>	<u>2023</u>
Equipment, furniture and fixtures	\$ 5,263	\$ 5,409
Less: accumulated depreciation	<u>(4,291)</u>	<u>(4,845)</u>
Total	<u>\$ 972</u>	<u>\$ 564</u>

Depreciation expense was \$307 and \$564 for the years ended September 30, 2024 and 2023, respectively.

4. Marketable securities

The Organization defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. It also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels, which are as follows:

4. Marketable securities (continued)

- Level 1 Quoted prices in active markets for identical assets or liabilities.
- Level 2 Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 Unobservable inputs, where there is little or no market activity for the asset or liability. These inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability, based on the best information available.

The investments below are reported at market value, using Level 1 and level 2 inputs consisting of quoted market prices of identical securities.

	2024 Cost	2024 Fair Value	2023 Cost	2023 Fair Value
<u>Level 1</u>				
Mutual Funds				
Fixed income	\$ 491,952	\$ 452,809	\$ 501,094	\$ 433,647
Equity income	598,999	903,065	578,876	726,559
Exchange Traded				
Fixed income	139,130	137,070	139,130	130,335
Equity income	295,459	566,759	295,459	441,231
<u>Level 2</u>				
Corporate Bonds				
Fixed income	128,332	129,022	128,389	123,912
Total	<u>\$1,653,872</u>	<u>\$2,188,725</u>	<u>\$1,642,948</u>	<u>\$1,855,684</u>

4. Marketable securities (continued)

The following summarizes the investment return and its classification in the statement of activities:

	2024	2023
Dividends and interest	\$ 85,511	\$ 75,721
Unrealized gain (loss)	319,599	145,554
Realized gain (loss)	1,736	(1,210)
Investment fees	(13,552)	(12,950)
Investment income, net	<u>\$ 393,294</u>	<u>\$ 207,115</u>

5. Endowments

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization's investments consist of donor restricted endowment funds and funds functioning as quasi-endowment funds. Donor restricted endowments consist of gifts received with a donor stipulation that require the funds to be invested in perpetuity. Quasi-endowment funds consist of board designated and donor restricted purpose funds. Board designated funds consist of monies internally generated. Donor restricted purpose funds consists of gifts received with a donor stipulation to be used for a particular purpose, but with no requirement for the funds to be invested in perpetuity and for which a fund was established to function as an endowment.

Professional accounting standards provide guidance on the net asset classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management Institutional Funds Act of 2006 ("UPMIFA") which serves as a model act for states to modernize their laws governing donor restricted endowment funds. This standard also requires additional disclosures about endowments (both donor restricted funds and quasi-endowment funds).

The Organization has interpreted the Massachusetts Uniform Prudent Management of Institutional Funds Act ("MUPMIFA") 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, the Organization classifies as net assets without donor restrictions (a) The original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the endowment. In accordance with MUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

5. Endowments (continued)

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

The Organization maintains two endowments, which are as follows:

- The Flynt Endowment is a donor-restricted permanent endowment with an original endowment amount of \$764,747. The Organization shall make grants from the fund during each calendar year in an amount equal to five percent of the value of the assets as of January 1 of that year. The Organization shall publicize the availability of the grants within the town of Williamstown and shall accept applications from or entities (including the town of Williamstown) that provide programs or services to the town or its residents (although not necessarily exclusively.) The Organization shall from time to time establish criteria for the awards or grants, but such criteria shall generally relate to maintenance or improvement of the quality of life of the residents of Williamstown.
- During the 2005 fiscal year, the board of directors designated all undesignated accumulated investments to be preserved as a quasi-endowment accounts. An amount up to the total return (income plus appreciation) may be spent annually for special grants and general operating needs as the board of directors deems advisable.

The endowment by net asset class and type at September 30, 2024 and 2023 is as follows:

	Without Donor Restrictions	With Donor Restrictions	2024	Without Donor Restrictions	With Donor Restrictions	2023
Board-designated quasi-endowment	\$ 1,299,229	\$ -	\$ 1,299,229	\$ 1,117,655	\$ -	\$ 1,117,655
Flynt donor-restricted permanent endowment	-	935,679	935,679	-	808,920	808,920
Total	<u>\$ 1,299,229</u>	<u>\$ 935,679</u>	<u>\$ 2,234,908</u>	<u>\$ 1,117,655</u>	<u>\$ 808,920</u>	<u>\$ 1,926,575</u>

5. Endowments (continued)

The following schedule reconciles the changes in endowments by net class for the years ended September 30, 2024 and 2023:

	Without Donor Restrictions	With Donor Restrictions	2024	Without Donor Restrictions	With Donor Restrictions	2023
Beginning balance	\$ 1,117,655	\$ 808,920	\$ 1,926,575	\$ 1,040,473	\$ 772,488	\$ 1,812,961
Investment return, net	228,367	165,317	393,684	117,391	85,365	202,756
Contributions Received	8,190	-	8,190	10,791	-	10,791
Spending policy distribution	(54,983)	(38,558)	(93,541)	(51,000)	(48,933)	(99,933)
Total	\$ 1,299,229	\$ 935,679	\$ 2,234,908	\$ 1,117,655	\$ 808,920	\$ 1,926,575

6. Net assets without donor restrictions

Net assets without donor restrictions are comprised of the following at September 30, 2024 and 2023:

	2024	2023
Board designated investments	\$ 1,281,229	\$ 1,099,655
Board designated reserve	18,000	18,000
Undesignated	134,917	150,450
Total	\$ 1,434,146	\$ 1,268,105

7. Net assets with donor restrictions

Net assets with donor restrictions are comprised of the following at September 30, 2024 and 2023:

	2024	2023
Crowe	\$ 9,813	\$ 10,206
Flynt endowment	935,679	808,920
2023-24 Campaign	-	2,500
Total	\$ 945,492	\$ 821,626

7. Net assets with donor restrictions (continued)

Crowe

During April 2013, the Organization received a restricted donation referred to as the Crowe gift. \$2,500 from the donation will be allotted to the Organization's annual campaign each year until the funds are depleted. When allocations of the campaign's proceeds are made to member agencies, a different agency each year will be the recipient of the \$2,500 contribution and the agency's annual letter allocation letter will clearly state that a portion of the total allocation is given in the name of this gift.

8. Net assets released from restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose, or by occurrence of other events as specified by the donors. Amounts released for the years ending September 30, 2024 and 2023 are as follows:

	2024	2023
Crowe bequest	\$ 2,500	\$ 2,500
Flynt bequest	38,558	48,933
Community movie	-	500
2022-23 Campaign	-	3,592
Annual meeting	-	1,100
2023-24 Campaign	2,500	-
Total	\$ 43,558	\$ 56,625

9. Leases

The Organization entered into a lease agreement for office space during the period October 1, 2017 through September 30, 2019 at \$500 per month. The Organization is continuing to rent the office space on a month-to-month basis at \$500 per month until a new lease is entered into. Short-term lease expense was \$6,000 for the years ended September 30, 2024 and 2023.

The Organization subleases certain office space to another organization at \$250 per month. This lease agreement is month-to-month. Rental income was \$3,000 for the years ended September 30, 2024 and 2023.

10. Concentrations of credit risk

The Organization maintains cash balances at four financial institutions in Massachusetts. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Two of the banks are also members of the Depositor's Insurance Fund (DIF), which insures all cash balances in excess of the FDIC limit. There are no uninsured cash balances at September 30, 2024.

Investment securities are exposed to various risks such as interest rate, market and credit. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that the changes in these risks could materially affect the fair value of investments and related activity reported on the financial statements.