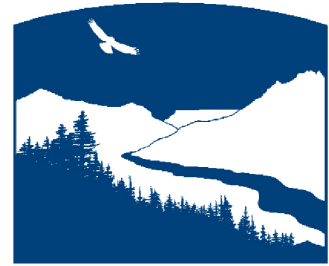


OREGON NATURAL RESOURCES
COUNCIL FUND dba

OREGON WILD

FINANCIAL STATEMENTS

Year Ended September 30, 2019



OREGON WILD

KERN  **THOMPSON**
CERTIFIED PUBLIC ACCOUNTANTS

Mission Statement:

Founded in 1974, Oregon Wild works to protect and restore Oregon's wildlands, wildlife and waters as an enduring legacy for future generations.

OREGON NATURAL RESOURCES COUNCIL FUND, dba OREGON WILD

FINANCIAL STATEMENTS

Year Ended September 30, 2019

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Executive Director's Message

Fiscal year 2018-2019 saw Oregon Wild staring down continued threats from the Trump Administration, extractive industry, and local politicians. However, as we mounted our defense against renewed attacks to wildlife, old growth forests, and public lands it was clear that the tides were shifting.

It wasn't long into 2019 before the Oregon Wildlands Act became law. Representing decades of hard work by hundreds of volunteers, Oregon Wild staff, and partners this legislation permanently protected new Wilderness and new Wild & Scenic Rivers in Oregon for the first time since 2009. Permanently protecting such special places in the depths of the most anti-environment administration in generations was an omen of good things on the horizon.

Sure enough, the remainder of the fiscal year has seen Oregon Wild and our allies building toward potentially game-breaking successes in the coming year. Our years of work to push back against the weakest private lands logging laws in the West is primed for a huge step forward in 2020. And the successes of the Oregon Wildlands Act have Oregon's congressional delegation, led by Senator Ron Wyden, coming back for more – potentially a lot more!

Through it all, Oregon Wild has remained a steadfast advocate for our wildlands, wildlife, and waters. With our Wild Ones program, we have continued to provide expert training and an outlet for average Oregonians to channel their passion into effective advocacy. Our staff acts as a watchdog for nearly every government agency proposal that impacts public lands, often forcing critical changes to projects that save habitat and scenic values. We use our sophisticated communications megaphone to spread our message far and wide to create a broader chorus of support for conservation. And we hold decision makers accountable – sometimes in court and sometimes in the court of public opinion – when they stray from Oregon values that demand protection of our special places.

It is our use of every tool in the toolbox that is the hallmark of Oregon Wild success. Our state's ancient forests, imperiled wildlife, and wild rivers demand nothing short of our efforts to exhaust all options to protect them.

So much of our advocacy plays out over years and decades of hard work, and this year, we saw the fruits of that labor come to a resoundingly successful conclusion. Here is a snapshot of our accomplishments from the last fiscal year.

Protecting Special Places

Decades of resource extraction and development have irrevocably changed large swaths of the Oregon landscape. Still, many special places untarnished by human activity remain. These pristine backcountry gems and free-flowing rivers represent our last, best hope for preserving a significant part of Oregon in its natural state. We are actively seeking to address our Wilderness imbalance (only 4% of Oregon is permanently protected while our neighbors – 15% in CA, 10% in WA, and 8% in ID – far surpass us) and mobilizing support to fight the growing threat posed by those who seek to privatize American public lands.

- Secured passage of the Oregon Wildlands Act through Congress, including the 30,000 acre Devil's Staircase Wilderness and 256 miles of Wild & Scenic Rivers in western Oregon.
- Finalized the designation of Oregon's newest State Scenic Waterway, the Nehalem River.
- Launched an unprecedented efforts to protect thousands of miles of Wild & Scenic Rivers by forming a statewide coalition following congressional public lands forums to look at what public lands are most in need of conservation legislation across the state.
- Kick-started efforts to increase protections around Mount Hood and the Columbia River Gorge by launching a coalition and hosting a successful forum with Sen. Ron Wyden and Rep. Earl Blumenauer.
- Finally wrapped up a successful court case against the proposed Summit OHV project that would have sliced almost 200 miles of new OHV trails into the Ochoco National Forest after avoiding a government appeal to the 9th Circuit.

- Worked with the Old Growth Forest Network to dedicate their first three forests in Oregon at Cummins Creek, Cape Perpetua, and Opal Creek (July 2019).
- Continued our court fight with allies to keep the Cascade Siskiyou National Monument protections in place.

Defending and Restoring Oregon’s Forests and Waters

Between the isolated remaining pockets of pristine wilderness lies the vast network of managed landscapes. These forests, watersheds, refuges, lakes, and wetlands are critical corridors for wildlife, sources of clean water, and important for our efforts to attain climate resilience. Protecting and restoring these landscapes for their ecological integrity is made more complicated by the fact that they are held in both public and private ownership. Rules and regulations governing the management of these lands are ever shifting. Oregon Wild is dedicated to holding management agencies accountable to the law and fighting for policy changes that ensure we restore landscapes to ecological health so that natural processes can dominate.

- With allies and local activists, we brought the case for modernizing Oregon’s private forest laws to a boiling point through:
 - Delivering thousands of petition signatures to the Governor and Legislature followed up by a lobby day where activists visited every office to deliver forest waters and forest carbon materials.
 - Teaching and assisting dozens of rural Oregonians on the state’s logging notification system, FERNS, to monitor and respond to industrial logging and aerial spray near their homes.
 - Working with dozens of coastal volunteers to launch and collect signatures for a statewide initiative petition effort to protect forest waters at the ballot in the 2020 election.
- Along with Mountaineers Books, we released Chandra LeGue’s *Oregon’s Ancient Forests – A Hiking Guide* to introduce a new generation of Oregonians to our state’s iconic old-growth forests.
- Toured *CBS Saturday Morning* through Oregon’s public and private forestland highlighting to a national audience the need to protect the intact old-growth we have left and restore badly mismanaged forests on private lands.
- Supported the publication of our report, “Forest Defense is Climate Defense,” with three large public events across the state highlighting new science outlining the critical role that improved forest management and protection can play in fighting climate change.
- Helped persuade Lane County to withdraw from the timber industry-friendly Association of O&C Counties, furthering the effort to undermine pro-clearcutting politicians using public funds to lobby for excessive clearcutting on public lands.
- Through our forest watchdog program we:
 - Commented on a total of 125 projects that impact public lands; protested/objected to 68 projects that would have had unacceptable negative impacts; secured improvements on four of those projects prior to litigation.
 - Continued to defend the Lostine Wild & Scenic corridor in court from a misguided logging project.
 - Protected the Thurston Hills designated recreation area outside Springfield from clearcut logging.
 - Prevented unnecessary logging in the Boulder Creek watershed near Mount Hood.
 - Reduced old-growth logging in the Imnaha Wild & Scenic River corridor, saving some trees and authorizing some to be knocked into the river rather than sent to the mill.
 - Objected as part of a coalition to the long-delayed Blue Mountain Forest Plan Revision which was subsequently shelved by the Forest Service.

Helping Native Species Thrive

For over four decades, Oregon Wild has led the charge to protect the most important public lands and waters needed by wildlife for survival. As we continue the effort to permanently safeguard our state’s most important habitat, we are also expanding our efforts to ensure agency management of at-risk species allows for wildlife to thrive in these areas.

- With allies, successfully passed a ban on M-44 cyanide bombs through the Oregon Legislature, ending a practice that indiscriminately killed native wildlife and threatened human safety.
- Stopped an anti-wolf candidate's confirmation to the Fish and Wildlife Commission.
- Won a lawsuit that determined the Oregon Fish and Wildlife Commission acted illegally when it denied our petition to list the marbled murrelet as endangered.
- Banned trapping of Humboldt marten across its habitat in the Siuslaw National Forest and western Oregon.
- Through trail monitoring and education with partners, reduced disturbance to elk during calving season on one section of the Deschutes National Forest by 93%.
- Wrote, produced, and released a special podcast, "Lost Sea Otters of Oregon" about the extermination and hoped-for reintroduction of this native species to Oregon coastal waters.
- Continued wildlife monitoring program and expanded it across the state.

The Oregon Wild team

The Oregon Wild staff is extremely dedicated and has knowledge of Oregon's political and ecological landscape that is unmatched. With our main offices in Portland, and three satellite offices (in Eugene, Bend, and Enterprise) we cover the whole state with deep experience in environmental policy, law, and organizing.

We are fortunate to have a volunteer Board of Directors that bring their diverse experience to the table in guiding our strategic direction. While they represent unique geographic corners of the state and bring distinct perspectives to the board, they share a passion for protecting Oregon.

Of course, the staff and board are only able to accomplish our mission with the steadfast support of thousands of donors, businesses, and foundations that give generously of their time and money.

Sean Stevens



Executive Director

To the Board of Directors
Oregon Natural Resources Council Fund dba Oregon Wild
Portland, Oregon

We have audited the accompanying financial statements of Oregon Natural Resources Council Fund dba Oregon Wild (a non-profit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oregon Natural Resources Council Fund dba Oregon Wild as of September 30, 2019, 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.

To the Board of Directors
Oregon Natural Resources Council Fund

Other Matters

Report on Summarized Comparative Information

We have previously audited Oregon Natural Resources Council Fund dba Oregon Wild's 2018 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated January 8, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As discussed in Note B, the Organization adopted the provisions of Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958)*, for the year ended September 30, 2019. Our opinion is not modified with respect to this matter.

A handwritten signature in blue ink that reads "Kern & Thompson, LLC". The signature is written in a cursive, flowing style.

Portland, Oregon
April 3, 2020

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

STATEMENT OF FINANCIAL POSITION

September 30, 2019

(With Comparative Totals as of September 30, 2018)

ASSETS

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 120,488	\$ 105,252
Investments	944,080	807,583
Accounts receivable	95,000	3,994
Inventory	18,087	6,829
Prepaid expenses and other assets	32,271	23,709
Property and equipment - net	<u>256,875</u>	<u>274,999</u>
Total assets	<u>\$ 1,466,801</u>	<u>\$ 1,222,366</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 29,491	\$ 12,547
Accrued payroll and related expenses	149,002	151,389
Deferred revenue	<u>9,222</u>	<u>11,120</u>
Total liabilities	<u>187,715</u>	<u>175,056</u>
Net assets		
Without donor restrictions		
Special projects and reserve fund	240,489	175,619
Board-designated endowment	701,156	629,529
Available for operations	<u>240,006</u>	<u>237,523</u>
Total without donor restrictions	1,181,651	1,042,671
With donor restrictions	<u>97,435</u>	<u>4,639</u>
Total net assets	<u>1,279,086</u>	<u>1,047,310</u>
Total liabilities and net assets	<u>\$ 1,466,801</u>	<u>\$ 1,222,366</u>

See notes to financial statements.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

STATEMENT OF ACTIVITIES

Year Ended September 30, 2019

(With Comparative Totals for the Year Ended September 30, 2018)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2019	2018
Revenues, gains and other support				
Contributions and memberships	\$ 617,972	\$ 12,500	\$ 630,472	\$ 725,169
Grants and contracts	156,000	401,000	557,000	309,000
Bequests	130,656	-	130,656	115,637
In-kind contributions	44,048	-	44,048	31,156
Investment income	43,294	-	43,294	30,274
Realized/unrealized gain (loss) on investments	16,482	-	16,482	21,787
Other	86,121	-	86,121	77,277
	<u>1,094,573</u>	<u>413,500</u>	<u>1,508,073</u>	<u>1,310,300</u>
Net assets released from restrictions	<u>320,704</u>	<u>(320,704)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>1,415,277</u>	<u>92,796</u>	<u>1,508,073</u>	<u>1,310,300</u>
Expenses				
Program services				
Protecting Special Places	401,207	-	401,207	320,747
Helping Native Species Thrive	165,947	-	165,947	150,625
Defending and Restoring Oregon's Forests and Waters	438,480	-	438,480	552,405
Total program services	<u>1,005,634</u>	<u>-</u>	<u>1,005,634</u>	<u>1,023,777</u>
Supporting services				
Management and general	72,860	-	72,860	110,330
Fundraising	197,803	-	197,803	166,296
Total expenses	<u>1,276,297</u>	<u>-</u>	<u>1,276,297</u>	<u>1,300,403</u>
Change in net assets	138,980	92,796	231,776	9,897
Net assets, beginning of year	<u>1,042,671</u>	<u>4,639</u>	<u>1,047,310</u>	<u>1,037,413</u>
Net assets, end of year	<u>\$ 1,181,651</u>	<u>\$ 97,435</u>	<u>\$ 1,279,086</u>	<u>\$ 1,047,310</u>

See notes to financial statements.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2019

(With Comparative Totals for the Year Ended September 30, 2018)

	PROGRAM SERVICES				SUPPORTING SERVICES		Total	
	Protecting Special Places	Helping Native Species Thrive	Defending and Restoring Oregon's Forests and Waters	Total	Management and General	Fund- Raising	2019	2018
Salaries	\$ 202,605	\$ 97,238	\$ 274,224	\$ 574,067	\$ 38,690	\$ 71,932	\$ 684,689	\$ 712,624
Payroll taxes and benefits	39,313	19,116	53,395	111,824	7,304	13,872	133,000	136,241
Professional services	22,649	258	28,987	51,894	7,293	190	59,377	145,794
Telephone and website	10,985	6,095	14,200	31,280	1,815	3,720	36,815	41,099
Occupancy	8,792	4,223	11,896	24,911	1,523	3,123	29,557	29,021
Subgrants	51,350	-	-	51,350	-	-	51,350	-
Oregon Wild Newsletter	5,577	2,678	7,530	15,785	966	1,980	18,731	16,956
Office supplies	1,318	762	1,494	3,574	300	1,340	5,214	2,515
Equipment	2,393	1,193	3,161	6,747	405	831	7,983	9,250
Insurance	8,987	1,338	3,760	14,085	1,393	989	16,467	18,874
Direct mail	1,795	867	2,456	5,118	310	12,339	17,767	13,855
Conferences, training and travel	20,807	8,297	14,984	44,088	384	1,067	45,539	27,023
Program expenses	14,219	18,782	8,243	41,244	79	68,296	109,619	93,011
Miscellaneous expenses	4,218	2,122	5,779	12,119	11,324	15,922	39,365	32,252
Depreciation	6,199	2,978	8,371	17,548	1,074	2,202	20,824	21,888
	\$ 401,207	\$ 165,947	\$ 438,480	\$ 1,005,634	\$ 72,860	\$ 197,803	\$ 1,276,297	\$ 1,300,403

See notes to financial statements.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

STATEMENT OF CASH FLOWS

Year Ended September 30, 2019

(With Comparative Totals for the Year Ended September 30, 2018)

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 231,776	\$ 9,897
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	20,824	21,888
Gain (loss), reinvestment of interest and dividends from investments	(52,501)	(43,188)
Changes in assets and liabilities:		
Accounts receivable	(91,006)	(353)
Inventory	(11,258)	-
Prepaid expenses and other assets	(8,562)	13,897
Accounts payable	16,944	(1,114)
Accrued payroll and related expenses	(2,388)	(10,671)
Deferred revenue	(1,897)	1,112
Net cash provided by (used in) operating activities	101,932	(8,532)
Cash flows from investing activities:		
Proceeds from sale of investments	46,660	89,000
Purchase of investments	(130,656)	(115,637)
Purchase of property and equipment	(2,700)	(10,948)
Net cash provided by (used in) investing activities	(86,696)	(37,585)
Net change in cash and cash equivalents	15,236	(46,117)
Cash and cash equivalents, beginning of year	105,252	151,369
Cash and cash equivalents, end of year	\$ 120,488	\$ 105,252

See notes to financial statements.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE A – DESCRIPTION OF ORGANIZATION

Oregon Natural Resources Council Fund dba Oregon Wild (the Organization) is a Section 501(c)(3) nonprofit organization founded in 1974 to protect and restore Oregon's wildlands, wildlife, and waters as an enduring legacy for future generations. The Organization works to educate and activate the public regarding threats to our natural resources while seeking long term protections for our public lands. Support is provided to the Organization through contributions from individuals, grants, corporate partnerships, and other fees.

During the fiscal year, the Organization supported the following:

- **Protecting Special Places** – Oregon Wild leads campaigns for the permanent protection of Wilderness areas, Wild & Scenic Rivers, National Recreation Areas, and other protective designations to safeguard our public forests and waters.
- **Protecting and Restoring Oregon's Forests and Waters** – Oregon Wild works to protect and restore public and private forests, critical watersheds, rivers, and wetlands across the state with a focus on ancient forests, the Klamath Basin National Wildlife Refuges, and wildlife corridors.
- **Helping Native Species Thrive** – Oregon Wild works to protect and recover native species such as gray wolves, northern spotted owls, and salmon that are critical to functioning ecosystems and an important part of our natural heritage.
- **Connecting People to Wild Places** – Oregon Wild leads numerous outdoor trips, hosts dozens of special events, and sponsors restoration-based service trips to foster an informed citizenry passionate about protecting public lands.

The Organization is affiliated with Oregon Wild Conservation Leaders Fund (OWCLF), a Section 501(c)(4) organization which mobilizes the public to permanently protect Wilderness and old-growth forests, lobbies elected officials to pass protection legislation, and supports or opposes candidates for public office.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Pronouncement

During the fiscal year ended September 30, 2019, the Organization implemented *Accounting Standards Update No. 2016-14, Not-for-Profit Entities Topic 958 ("ASU 2016-14")*. This standard revised the net asset classification requirements and information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows.

As a result of the implementation of ASU 2016-14, net assets and transactions are now presented in two categories (with donor restrictions and without donor restrictions) instead of three (unrestricted, temporary, and permanent). Additionally, disclosures regarding liquidity have been added and the expansion of disclosures regarding the nature of donor restrictions have been made.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Pronouncement (Continued)

Additional matters impacted include:

- Information about board designated funds
- Information regarding endowment funds

The implementation of ASU 2016-14 had no impact on total beginning net assets.

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets at September 30, 2018, as previously reported:			
Unrestricted	\$ 1,042,671	\$ -	\$ 1,042,671
Temporarily restricted	-	2,204	2,204
Permanently restricted	-	2,435	2,435
	\$ 1,042,671	\$ 4,639	\$ 1,047,310

Financial Statement Presentation

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

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

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

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

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

Functional Allocation of Expenses

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

Estimates

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

Cash and Cash Equivalents

The Organization considers all liquid investments having initial maturities of three months or less to be cash equivalents. Cash and cash equivalents held for long-term investment purposes are excluded from cash and cash equivalents and are included in investments.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash and cash equivalents. Interest bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of September 30, 2019, all of the Organization's cash balances were fully insured.

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

Inventory

Inventory consists of t-shirts, hats, books and tote bags held for sale as part of the Organization's fund-raising and campaign efforts. Inventory is recorded at the lower of cost (first-in, first-out) or market for purchased items and fair market value for donated items.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment is recorded at cost. Donated equipment is recorded at fair market value at the date received. Depreciation is computed on the straight-line method over the following estimated useful lives:

Building and improvements	10 to 40 years
Office equipment	3 to 15 years

Maintenance and repairs are expensed when incurred. Betterments and renewals in excess of \$500 are capitalized.

Revenue Recognition

All contributions and grants are considered available for without donor restrictions use unless specifically restricted by a donor. Service revenues are recognized at the time services are provided and the revenues are earned. Bequests are recorded as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable. Membership payments received from the Organization's members are considered equivalent to without donor restrictions contributions and are recognized as revenue when received. The Organization makes an annual determination of the adequacy of the allowance for grants and pledges receivable. Management believes no allowance is required as of September 30, 2019.

Income Taxes

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

Prior Year Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2018, from which the summarized information was derived.

NOTE C – INVESTMENTS

Assets and liabilities recorded at fair value are measured under a three-level hierarchy. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources, while unobservable inputs reflect estimates about market data.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

NOTE C – INVESTMENTS (CONTINUED)

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

Level 1 – Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities, mutual fund investments, and exchange traded funds (ETF's).

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

Level 3 – Unobservable inputs that reflect management's assumptions and best estimates based on available data.

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

Fair value of assets measured on a recurring basis at September 30, 2019 were as follows:

	<u>Level 1</u>	<u>Total</u>
CD's and cash	\$ 23,228	\$ 23,228
Fixed income mutual funds and ETF's	354,001	354,001
Equity mutual funds and ETF's	<u>566,851</u>	<u>566,851</u>
	<u>\$ 944,080</u>	<u>\$ 944,080</u>

NOTE D – GRANTS RECEIVABLE

At September 30, 2019, grants receivable totaled \$95,000. The entire amount is expected to be collected within one year.

NOTE E – PROPERTY AND EQUIPMENT

A summary of property and equipment at September 30, 2019 is as follows:

Land and improvements	\$ 119,401
Building and improvements	438,231
Office equipment	<u>112,447</u>
	670,079
Less accumulated depreciation	<u>(413,204)</u>
	<u>\$ 256,875</u>

Depreciation expense for the year ended September 30, 2019 amounted to \$20,824.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

NOTE F – RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES

At September 30, 2019, \$250,000 of the Organization's net assets without donor restrictions have been designated by the Board as a reserve fund for operations, special needs and programs, and other needs as determined by the Board.

The Organization also holds assets in a permanent endowment fund created by the Board of Directors with the goal of providing stability of funding for future operations. As per Organization policy, the principal of the endowment fund shall be invested in perpetuity, and the earnings are unrestricted.

Endowment assets include unrestricted net assets designated by the board and assets restricted in perpetuity by the donor.

The endowment is funded with bequests, annuities, and planned gifts not designated by the donor for current operations or programs, as well as gifts specifically restricted to the endowment by the donor. Once the special project and reserve fund holds \$250,000, new funds will be added evenly to both the special project reserve and the Jim Baker endowment fund, and once the special project reserve fund reaches \$500,000, new funds will all be added to the endowment.

The Organization's net assets with donor restrictions are subject to the following purpose or time restrictions:

Subject to purpose restrictions:	
Volunteer engagement for Latinx community in conservation efforts	\$ 45,000
"Forest For All" campaign to protect and restore forests through partnerships with diverse communities	<u>50,000</u>
	<u>95,000</u>
Not subject to appropriation or expenditure:	
Endowment	\$ <u>2,435</u>
	<u>2,435</u>
Total net assets with donor restrictions	\$ <u>97,435</u>

NOTE G – ENDOWMENT NET ASSETS

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted Oregon's enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA or the Act) as requiring the establishment of a set of prudent management and investment standards for boards to follow when managing endowment funds. A donor's intent to maintain an endowment in perpetuity must be considered and the fund managed accordingly.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

NOTE G – ENDOWMENT NET ASSETS (CONTINUED)

Interpretation of Relevant Law (Continued)

As a result of this interpretation, the Organization classifies as restricted net assets-corpus not subject to expiration:

- The original value of gifts donated to the perpetual endowment
- The original value of subsequent gifts to the endowment
- Accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument

Return Objectives, Risk Parameters and Strategies for Achieving Objectives

The goal of the Organization's investment program for funds held as endowment is to achieve a total rate of return that will allow the Organization to respond to today's needs and the long-term growth necessary to respond to future needs. The Board has adopted an investment policy that attempts to maintain and grow the purchasing power of the endowment assets over the long term while generating income. The assets are invested in a well-diversified asset mix with a focus on environmental and social responsibility.

To meet this investment objective, the Organization follows a total return strategy in which investment decisions are made with the intent of maximizing the long-term total return of the portfolio, combining market-value changes (realized and unrealized) and current yield (interest and dividends).

The Organization may distribute 5% of the average end of month account balance across the previous three years to the general account for operating purposes.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

NOTE G – ENDOWMENT NET ASSETS (CONTINUED)

Return Objectives, Risk Parameters and Strategies for Achieving Objectives (Continued)

The composition of and changes in endowment net assets for the years ended September 30, 2019 are as follows:

	Without Donor Restrictions, Board Designated	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
Endowment net assets, beginning of year	\$ 629,529	\$ 2,435	\$ 631,964
Interest and dividend	37,875	-	37,875
Investment gains/(losses) (realized and unrealized)	<u>3,169</u>	<u>-</u>	<u>3,169</u>
Total investment return	41,044	-	41,044
Other changes:			
Contributions	59,661	-	59,661
Distributions	(22,000)	-	(22,000)
Fees	<u>(7,078)</u>	<u>-</u>	<u>(7,078)</u>
	<u>30,583</u>	<u>-</u>	<u>30,583</u>
Endowment net assets, end of year	\$ <u>701,156</u>	\$ <u>2,435</u>	\$ <u>703,591</u>

NOTE H – NET ASSETS RELEASED FROM RESTRICTIONS

During the year ended September 30, 2019, the Organization incurred \$320,704 in expenses in satisfaction of the restricted purposes specified by donors, or satisfied the restrictions by the occurrence of other events. Accordingly, a corresponding amount is reported as a reclassification from net assets with donor restrictions.

NOTE I – IN-KIND CONTRIBUTIONS

A number of unpaid volunteers provide significant contributions of their time to develop and implement the Organization's programs. There were approximately 1,800 volunteered hours during the year ended September 30, 2019. Amounts recognized on the statement of activities are limited to the significant services received which create or enhance a nonfinancial asset or require specialized skills that the Organization would have purchased if not donated. During the year ended September 30, 2019, the Organization recognized \$44,048 of contributed goods.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

NOTE J – RELATED PARTY TRANSACTIONS

The Organization has entered into a contract whereby OWCLF reimburses the Organization for allocated personnel and office operating costs that are shared by the two organizations. In addition, OWCLF pays the Organization an occupancy charge for use of the building, allocated in a manner comparable to the personnel and operating expenses charges. The net amount of shared expenses paid by OWCLF under this agreement for the year ended September 30, 2019 was \$2,750. The Organization also processed credit card contributions for OWCLF throughout the year totaling \$1,879. The net amount payable under the operating agreement and on behalf of the credit card contributions was \$532 at September 30, 2019.

NOTE K – RETIREMENT PLAN

The Organization sponsors a 403(b) plan for the benefit of its eligible employees. At the discretion of the Board of Directors, the Organization may make contributions to the plan. The Organization made no contribution to this plan for the year ended September 30, 2019.

NOTE L – LIQUIDITY

The following represents the Organization's financial assets available to meet cash needs for general expenditures within one year of September 30, 2019:

Financial assets at year-end*	
Cash and cash equivalents	\$ 120,488
Grant receivable	95,000
Investments	<u>944,080</u>
Total financial assets	<u>1,159,568</u>
Less amounts unavailable for use within one year:	
Contractual or donor-imposed restrictions:	
Restricted by donor with purpose restriction	(95,000)
Restricted by donor for endowment	(2,435)
Board designations:	
Board-designated endowment fund	<u>(701,156)</u>
Total unavailable financial assets	<u>(798,591)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>360,977</u></u>

* In addition to these available financial assets, a significant portion of the Organization's annual expenditures will be funded by current year operating revenues including grant and contributions.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

NOTE L – LIQUIDITY (CONTINUED)

The Organization's endowment funds consist of donor-restricted endowments and a board-designated endowment. Income from donor-restricted endowments is not available for general expenditure until appropriated. As described in Note G, the Organization's spending policy is to appropriate up to 5% of the average end of month account balance across the previous three years to the general account for operations. Appropriations from the endowment funds will be available within the next 12 months.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Although the Organization does not intend to spend from its board-designated endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary to manage unanticipated liquidity needs.

NOTE M – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 3, 2020, which is the date the financial statements were available to be issued.

In March 2020 in response to the COVID-19 pandemic, the Organization cancelled in-person canvassing until it is deemed safe to do so. The State of Oregon subsequently issued an executive order prohibiting such activity until the order is lifted.

OTHER INFORMATION

OREGON WILD

GOVERNING BOARD AND MANAGEMENT

Board of Directors

Kate Ritley
President

Lisa Billings
Vice President

Clara Soh
Treasurer

Mellie Pullman
Secretary

Vik Anantha
Naila Bhatri
Vail Fletcher
Megan Gibb
Danielle Grabiell
Jared Kennedy
Darcie Meihoff
Seth Prickett

Management

Sean Stevens
Executive Director

Jonathan Jelen
Development Director

Steve Pedery
Conservation Director

Ellen Yornell
Finance Manager

INQUIRIES AND OTHER INFORMATION

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