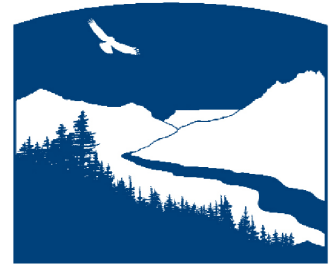


OREGON NATURAL RESOURCES
COUNCIL FUND dba

OREGON WILD

FINANCIAL STATEMENTS

Year Ended September 30, 2022



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, 2022

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Executive Director's Message

Despite turbulent times in our state and the country, Oregon Wild maintained incredible momentum in fiscal year 2021-2022 in pursuing our mission to protect and restore wildlands, wildlife, and waters for future generations.

Oregonians have had a lot on their minds this past year – war in Ukraine, the ups and downs of the economy, reproductive freedom, and our struggles to provide housing and mental health care for those unlucky enough to find themselves living on the streets. Still, so many of you found time, energy, and money to support keeping Oregon wild. It is a testament to just how important our work is that we again had a record fundraising year.

After making cautious financial decisions at the outset of the pandemic, we are now investing heavily in growing our staff and increasing our impact. Soon, Oregon Wild will employ over 20 staff – nearly double our size from a decade ago. This growth, and our choices to invest in big, bold campaigns has seen Oregon Wild provide essential leadership to truly groundbreaking efforts.

We are at the center of a nationwide effort to protect mature and old growth forests on federal public lands for the role they play in staving off the worst effects of climate change. Through our leadership and a strong coalition, we took huge strides in 2022, convincing President Biden to issue an Earth Day executive order aimed at protecting our climate forests. Since April, we have piled on with support for protecting mature and old growth forests releasing two reports documenting dangerous timber sales; coordinating protests across the country; and submitting over 130,000 comments to the Forest Service and BLM. We have already lost far too much of our old growth forests and we feel confident that now is the moment to finally secure lasting protections for these ancient trees.

While we push for proactive protections for our forests, we never lose sight of the major threats putting them at risk. In the waning days of the Trump Administration, political appointees loyal to the President stripped protections for older forests across millions of acres of eastern Oregon. Policies that had been in place for 25 years were gone overnight. With allies, Oregon Wild brought a legal challenge in 2022 seeking to restore protections. We feel confident that the law and public opinion is on our side.

Oregon Wild partners with dozens of local, state, and national organizations to accomplish our goals. Some of our most exciting partnerships of the last year have been with tribal governments and activists seeking to protect threatened species with cultural and ecological importance. On the coast, we have continued to support the efforts of the Elakha Alliance to return sea otters to Oregon's ocean waters. On the California border, we have promoted efforts of the Yurok Tribe to successfully release condor into the wild – condor that we hope will one day fly over Oregon's wildlands. In the Klamath Basin, we have helped secure funding for the Klamath Tribes to grow their efforts reintroducing beaver to aide in restoring watershed functions in an arid part of the state.

These partnerships, the hard work of our staff, and the energy and activism of our thousands of supporters help us keep up the pressure to notch victories for the wild year after year. Here is a snapshot of a few of those accomplishments from the last fiscal year.

Protecting Special Places:

- Led the statewide coalition working to pass the River Democracy Act which would protect 4,700 miles of Wild & Scenic Rivers all across Oregon. Campaign highlights included:
 - Securing support from 250 businesses, 50 breweries, and 75 organizations.
 - Promoting the campaign through newspaper ads featuring local businesses all across the state and a feature on KATU's AM Northwest.
 - Exposing county politicians copy/pasting logging lobbyist talking points opposing the River Democracy Act.

Executive Director's Message

Protecting Special Places: (Continued)

- Successfully worked toward reintroduction of the Wild Rogue Wilderness, and Rogue and Molalla National Recreation Area legislation in the U.S. House of Representatives and out of committee in the U.S. Senate.
- Gathered support from 14 organizations to speak out in favor of transferring 5,000 acres into public ownership along the Minam River in northeast Oregon.

Helping Native Species Thrive:

- Together with conservation partners, won litigation to overturn the Trump wolf delisting decision of 2020 which removed ESA protections for wolves in western Oregon and much of the lower 48 states.
- Organized support for the Recovering America's Wildlife Act through a Congressional lobby week, social media advocacy, email alerts, and texting campaign to better fund conservation of threatened species at the state level.
- Launched an anti-poaching reward fund (as part of the Oregon Wildlife Coalition) to help fight back against the illegal killing of threatened and endangered species as well as vulnerable birds and mammals.
- Banned recreational beaver trapping on industrial forestlands and negotiated a brand new reporting system across all private forests to ensure ODFW can begin to better track and protect beaver populations.
- Created condor identification graphic to help members of the public identify condors in the wild as they (hopefully) return to Oregon.
- Supported the Klamath Tribes in their effort to reintroduce beavers in the Klamath Marsh National Wildlife refuge including helping to connect the Tribes to funding opportunities.

Defending and Restoring Oregon's Forests and Waters:

- Successfully negotiated sweeping upgrades to the Oregon Forest Practices Act to better protect aquatic wildlife like salmon and salamanders. Passed legislation codifying the Private Forest Accord agreement, increasing no-cut buffers on streams, safeguarding landslide prone slopes from logging, and comprehensively upgrading the road network to avoid sediment ending up in waterways.
- Led the national effort to protect all remaining mature and old growth forests across federal public lands by:
 - Launching the *Climate Forests Campaign*, with over 115 organizations nationwide calling on President Biden to protect mature trees and forests on federal lands from logging.
 - Successfully encouraging President Biden into announcing an Executive Order to protect mature and old-growth forests.
 - Submitting an estimated 132,000 comments nationally for the USDA/DOI open comment period on mature and old growth forests.
 - Organizing multiple "dear colleague" Congressional letters urging support of strong protections for mature and old growth forests.

Executive Director's Message

Defending and Restoring Oregon's Forests and Waters: (Continued)

- Hired a brand new Staff Attorney to help bolster our already successful legal work with partners to hold the line against numerous proposed logging projects. In 2021-22 our collective litigation success included:
 - A federal court ruling that the USFWS failed to adequately protect 10,000 acres of suitable spotted owl habitat from Medford BLM's Poor Windy Logging Project.
 - Multiple court settlements that cancelled or deferred logging in areas burned by the 2020 fires.
 - A favorable ruling in federal court stopped a BLM logging project in the Thurston Hills Recreation Area near Springfield.
 - Legal action that forced Klamath Falls BLM to withdraw the Lost Antelope logging project which would harm spotted owl habitat.
 - Filing a major legal challenge to the Trump Administration's effort to undermine long-standing protections for large and old trees on millions of acres in eastern Oregon.
- Continued to be a vigilant watchdog for our public lands by ground-truthing, monitoring, submitting formal comments on, and/or objecting to more than 183 timber sales and other proposed projects, including:
 - Convincing the Rogue River Siskiyou National Forest to refrain from commercial logging when doing riparian thinning on ~500 acres of the Stella Project.
 - Getting the Willamette National Forest to refrain from logging in mature and old-growth forest stands in the Quartzville Middle Santiam (QMS) project.
 - Pushing the Wallowa-Whitman National Forest to modify treatments across ~300 acres of the Sheep Creek Project to protect roadless areas, large trees, and reduce road construction.
 - Getting the Malheur National Forest to modify ~1,200 acres of the Cliff Knox Project to reduce commercial logging and reduce removal of large trees.

Connecting People to Wild Places:

- Hosted webcasts on a monthly basis with over 1,000 attendees enjoying topics ranging from Porcupine of the Pacific Northwest to Unpacking the Status of Oregon's Wolves.
- As COVID safety allowed, got back out in the community with numerous outreach events where we spread the good word about our work, including:
 - Presenting twice to a packed house at OMSI After Dark events.
 - Sponsoring a screening of the documentary *Who's On Top* that told the story of members of the LGBTQ community challenging stereotypes in overcoming physical and figurative mountains.
 - Co-sponsoring film screenings of the revolutionary fire documentary, *Elemental*, in Portland and Eugene (September 2022).
 - Partnering with Oregon Brewshed Alliance breweries such as Oakshire, Claim 52, and Schilling Cider for fundraising and awareness events.

Executive Director's Message

Connecting People to Wild Places: (Continued)

- Got back in the swing of offering outdoor experiences to members of the public, including a landscape photography hike with Pro Photo Supply and numerous outings with partners to promote the Climate Forests Campaign.

The Oregon Wild team

The Oregon Wild staff is extremely dedicated and has knowledge of Oregon's political and ecological landscape that is unmatched. As our team has grown (and we've realized that remote work is possible!) we've expanded our footprint in the state. While our main office is still in Portland, we now have satellite staff in Bend, Depoe Bay, Eugene, and Enterprise. Now, more than ever, 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

A handwritten signature in black ink, consisting of stylized, cursive letters that appear to be 'SS'.

Executive Director

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Oregon Natural Resources Council Fund dba Oregon Wild (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oregon Natural Resources Council Fund dba Oregon Wild as of September 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Oregon Natural Resources Council Fund dba Oregon Wild's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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 Oregon Natural Resources Council Fund dba Oregon Wild'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 Oregon Natural Resources Council Fund dba Oregon Wild's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Oregon Natural Resources Council Fund dba Oregon Wild's 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated January 4, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kern & Thompson LLC

Portland, Oregon
January 24, 2023

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

STATEMENT OF FINANCIAL POSITION

September 30, 2022

(With Comparative Totals as of September 30, 2021)

ASSETS

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,353,893	\$ 954,284
Investments	1,537,869	1,384,160
Grants receivable	60,000	798
Inventory	8,756	12,244
Prepaid expenses and other assets	55,947	44,990
Property and equipment - net	<u>221,711</u>	<u>240,552</u>
Total assets	\$ <u>3,238,176</u>	\$ <u>2,637,028</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 53,371	\$ 12,452
Accrued payroll and related expenses	<u>189,863</u>	<u>180,027</u>
Total liabilities	<u>243,234</u>	<u>192,479</u>
Net assets		
Without donor restrictions		
Special projects and reserve funds	741,365	359,716
Board-designated endowment	794,069	1,022,009
Available for operations	<u>1,397,073</u>	<u>1,060,389</u>
Total without donor restrictions	<u>2,932,507</u>	<u>2,442,114</u>
With donor restrictions	<u>62,435</u>	<u>2,435</u>
Total net assets	<u>2,994,942</u>	<u>2,444,549</u>
Total liabilities and net assets	\$ <u>3,238,176</u>	\$ <u>2,637,028</u>

See notes to financial statements.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

STATEMENT OF ACTIVITIES

Year Ended September 30, 2022

(With Comparative Totals for the Year Ended September 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2022	2021
Revenues, gains and other support				
Contributions and memberships	\$ 946,693	\$ -	\$ 946,693	\$ 854,715
Grants and contracts	430,176	473,000	903,176	828,218
Bequests	585,000	-	585,000	60,048
In-kind contributions	16,009	-	16,009	17,793
Investment income	66,768	-	66,768	45,258
Realized/unrealized gain (loss) on investments	(272,551)	-	(272,551)	162,987
Other	45,374	-	45,374	96,923
	<u>1,817,469</u>	<u>473,000</u>	<u>2,290,469</u>	<u>2,065,942</u>
Net assets released from restrictions	<u>413,000</u>	<u>(413,000)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>2,230,469</u>	<u>60,000</u>	<u>2,290,469</u>	<u>2,065,942</u>
Expenses				
Program services				
Helping Native Species Thrive	169,670	-	169,670	134,871
Defending and Restoring Oregon's Forests and Waters	792,742	-	792,742	680,369
Protecting Special Places	363,723	-	363,723	314,278
Total program services	<u>1,326,135</u>	<u>-</u>	<u>1,326,135</u>	<u>1,129,518</u>
Supporting services				
Management and general	211,989	-	211,989	88,850
Fundraising	201,952	-	201,952	152,681
Total expenses	<u>1,740,076</u>	<u>-</u>	<u>1,740,076</u>	<u>1,371,049</u>
Change in net assets	490,393	60,000	550,393	694,893
Net assets, beginning of year	<u>2,442,114</u>	<u>2,435</u>	<u>2,444,549</u>	<u>1,749,656</u>
Net assets, end of year	<u>\$ 2,932,507</u>	<u>\$ 62,435</u>	<u>\$ 2,994,942</u>	<u>\$ 2,444,549</u>

See notes to financial statements.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2022

(With Comparative Totals for the Year Ended September 30, 2021)

	PROGRAM SERVICES				SUPPORTING SERVICES		Total	
	Helping Native Species Thrive	Defending and Restoring Oregon's Forests and Waters	Protecting Special Places	Total	Management and General	Fund- Raising	2022	2021
Salaries	\$ 116,022	\$ 483,426	\$ 241,713	\$ 841,161	\$ 87,017	38,674	\$ 966,852	\$ 769,931
Payroll taxes and benefits	24,558	102,326	51,163	178,047	18,419	8,186	204,652	146,369
Professional services	2,257	58,136	16,055	76,448	2,982	74,423	153,853	54,072
Telephone and website	4,893	19,809	10,144	34,846	2,952	1,762	39,560	36,468
Occupancy	4,644	19,349	9,675	33,668	3,483	1,548	38,699	26,268
Subgrants	2,936	16,625	-	19,561	-	-	19,561	136,526
Oregon Wild Newsletter	2,162	9,037	4,524	15,723	1,492	33,723	50,938	20,130
Office supplies	538	3,814	1,075	5,427	4,001	186	9,614	5,045
Equipment	843	3,595	1,519	5,957	646	255	6,858	6,044
Insurance	1,754	7,331	7,705	16,790	1,210	655	18,655	18,688
Direct mail	738	3,086	1,545	5,369	675	1,580	7,624	6,355
Conferences, training and travel	1,944	8,918	2,207	13,069	423	359	13,851	7,009
Program expenses	2,675	39,312	8,463	50,450	561	23,909	74,920	74,363
Miscellaneous expenses	1,109	7,126	2,502	10,737	86,336	15,722	112,795	42,255
Depreciation	2,597	10,852	5,433	18,882	1,792	970	21,644	21,526
	\$ 169,670	\$ 792,742	\$ 363,723	\$ 1,326,135	\$ 211,989	\$ 201,952	\$ 1,740,076	\$ 1,371,049

See notes to financial statements.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

STATEMENT OF CASH FLOWS

Year Ended September 30, 2022

(With Comparative Totals for the Year Ended September 30, 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 550,393	\$ 694,893
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	21,644	21,526
(Gain) loss, reinvestment of interest and dividends from investments	272,551	(208,245)
Changes in assets and liabilities:		
Grants receivable	(59,202)	(798)
Inventory	3,488	(2,807)
Prepaid expenses and other assets	(10,597)	(12,625)
Accounts payable	40,919	371
Accrued payroll and related expenses	9,836	7,621
Deposits	-	(1,392)
Refundable advance	-	(160,100)
Net cash provided by (used in) operating activities	<u>829,032</u>	<u>338,444</u>
Cash flows from investing activities:		
Proceeds from sale of investments	45,351	101,628
Purchase of investments	(471,971)	(117,385)
Purchase of property and equipment	(2,803)	(5,751)
Net cash provided by (used in) investing activities	<u>(429,423)</u>	<u>(21,508)</u>
Net change in cash and cash equivalents	399,609	316,936
Cash and cash equivalents, beginning of year	<u>954,284</u>	<u>637,348</u>
Cash and cash equivalents, end of year	<u>\$ 1,353,893</u>	<u>\$ 954,284</u>

See notes to financial statements.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

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.

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

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.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

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

Revenue Recognition

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. 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 met. Contributions received with both donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions. 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, 2022.

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.

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.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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.

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, 2021, from which the summarized information was derived.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2022

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.

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, 2022 were as follows:

	<u>Level 1</u>	<u>Total</u>
CD's and cash	\$ 493,672	\$ 493,672
Equity mutual funds and ETF's	<u>1,044,197</u>	<u>1,044,197</u>
	<u>\$ 1,537,869</u>	<u>\$ 1,537,869</u>

NOTE D – PROPERTY AND EQUIPMENT

A summary of property and equipment at September 30, 2022 is as follows:

Land and improvements	\$ 119,401
Building and improvements	457,825
Office equipment	<u>122,061</u>
	699,287
Less accumulated depreciation	<u>(477,576)</u>
	<u>\$ 221,711</u>

Depreciation expense for the year ended September 30, 2022 amounted to \$21,644.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2022

NOTE E – RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES

Board Designated Reserves

At September 30, 2022, \$741,365 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.

Board Designated Portion of Endowment

The Organization holds assets in an 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 not restricted.

Donor Restrictions Including Endowment

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

Subject to timing restrictions	\$	60,000
Not subject to appropriation or expenditure: Endowment		<u>2,435</u>
Total net assets with donor restrictions	\$	<u><u>62,435</u></u>

Endowment and Reserves Funding Plan

Endowment assets include net assets designated by the board, of \$794,069, and assets restricted in perpetuity by the donor of \$2,435. 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. The board Policy states that once the special project and reserve fund holds \$250,000, new funds are added evenly to both the special project and reserve funds and the Jim Baker endowment fund. Additionally, once the special project reserve funds reach \$500,000, new funds will all be added to the endowment.

NOTE F – 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. As a result of this interpretation, the Organization classifies as restricted net assets-corpora 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

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2022

NOTE F – ENDOWMENT NET ASSETS (CONTINUED)

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 account balance to the general account for operating purposes, until the balance reaches \$2,000,000. Once the balances reach this amount, the disbursed amount will be 10% of the fund balance.

The composition of and changes in endowment net assets for the years ended September 30, 2022 are as follows:

	Without Donor Restrictions, Board <u>Designated</u>	With Donor Restrictions	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,022,009	\$ 2,435	\$ 1,024,444
Interest and dividend	52,913	-	52,913
Investment gains/(losses) (realized and unrealized)	<u>(235,414)</u>	<u>-</u>	<u>(235,414)</u>
Total investment return	(182,501)	-	(182,501)
Other changes:			
Contributions	2,500	-	2,500
Distributions	(38,294)	-	(38,294)
Fees	<u>(9,645)</u>	<u>-</u>	<u>(9,645)</u>
	<u>(45,439)</u>	<u>-</u>	<u>(45,439)</u>
Endowment net assets, end of year	\$ <u>794,069</u>	\$ <u>2,435</u>	\$ <u>796,504</u>

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2022

NOTE G – NET ASSETS RELEASED FROM RESTRICTIONS

During the year ended September 30, 2022, the Organization incurred \$413,000 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 H – 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 1,600 volunteered hours during the year ended September 30, 2022. 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, 2022, the Organization recognized \$16,009 of contributed goods.

NOTE I – 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, 2022 was \$53,000. The Organization also processed credit card contributions for OWCLF throughout the year totaling \$460. The net amount payable under the operating agreement and on behalf of the credit card contributions was \$1,577 at September 30, 2022.

NOTE J – 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, 2022.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2022

NOTE K – LIQUIDITY

The following represents the Organization's financial assets available to meet cash needs for general expenditures within one year of September 30, 2022:

Financial assets at year-end*	
Cash and cash equivalents	\$ 1,353,893
Investments	<u>1,537,869</u>
Total financial assets	<u>2,891,762</u>
Less amounts unavailable for use within one year:	
Contractual or donor-imposed restrictions:	
Restricted by donor for endowment	(2,435)
Board designations:	
Board-designated endowment fund	<u>(794,069)</u>
Total unavailable financial assets	<u>(796,504)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>2,095,258</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.

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 F, the Organization's spending policy is to appropriate up to 5% of year-end balance 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 L – SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 24, 2023, which is the date the financial statements were available to be issued.

OTHER INFORMATION

OREGON WILD

GOVERNING BOARD AND MANAGEMENT

Board of Directors

Kate Ritley
President

Lisa Billings
Vice President

Seth Prickett
Treasurer

Stacey Rice
Secretary

Vik Anantha
Darcie Meihoff
Chris Beatty
Clara Soh

Management

Sean Stevens
Executive Director

Jonathan Jelen
Development Director

Steve Pedery
Conservation Director

Anne Conrad-Antoville
Finance Manager

INQUIRIES AND OTHER INFORMATION

OREGON WILD

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