

OREGON NATURAL RESOURCES COUNCIL FUND  
dba OREGON WILD

Audited Financial Statements

For the Year Ended September 30, 2023



MCDONALD JACOBS



## EXECUTIVE DIRECTOR'S MESSAGE

As the Oregon Wild team charged our way through fiscal year 2022-2023, we pursued our mission with the determination and passion that we have become known for. Even as we were taking on some of the largest conservation efforts in our history (which is really saying something!), we had an eye to 2024 when we would celebrate our 50<sup>th</sup> anniversary as an organization.

So, amid monumental efforts to pass the biggest rivers protection bill in the history of the United States and the first-ever national policy to protect big, old trees, we also spent some time gearing up for an important milestone for Oregon's conservation movement. Part of that work was a yearlong process to distill our identity to its essence and package it in a new brand – that will include the first changes to our logo in 20 years. We've also been busy collecting the inspirational stories about Oregon's special places and the special people who worked to protect them.

Due to the hard work of the Oregon Wild staff, we won't just be celebrating achievements from yester year. We'll be toasting to victories we are winning for the wild in the here and now – and campaign efforts that are on the edge of major success.

Perhaps no Oregon Wild initiative is as audacious in scope and showing such rapid progress as the Climate Forests Campaign. With Oregon Wild helping to lead a national coalition aiming to protect the remaining mature and old growth forests on public lands, we've made huge strides in the last year. With allies, we submitted over 500,000 comments to the federal agencies urging protections for our oldest forests. With a kayaktivist flotilla and rallies in the streets, we brought a local spotlight connecting forest protection to fighting climate change. In the process, we pressured the Forest Service into dropping the Flat Country Timber Sale – a posterchild for ancient forest logging in Oregon.

While pushing for federal protections for our climate forests, we led an effort in the Oregon Legislature to pass the state's first Natural Climate Solutions bill. This new policy comes with the state's first fund to encourage climate smart practices to store more carbon in forests, wetlands, and farmlands. These financial incentives combine perfectly with new and strengthened rules to protect streams and steep slopes from private forest logging that went into effect in mid-2023 as part of the comprehensive Private Forest Accord rules that Oregon Wild was critical in negotiating.

As we continue to push for protective policies for forests at the federal and state level, we had critical defensive work to tend to across eastern Oregon's national forests after the Trump administration slashed protections for large and old trees over 8 million acres. Trump's last-minute gutting of the "Eastside Screens" policy that had been on the books for 30 years proved a bridge too far for a magistrate judge in August. Agreeing with arguments made in court by Oregon Wild, the Nez Perce Tribe, and our partners, he recommended that protections for old forests in eastern Oregon be restored.

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While fighting for forested habitat we also took the special opportunity to celebrate 50 years of the Endangered Species Act. Locally, we spearheaded the installation of a brand new downtown Portland mural depicting iconic species that have been safeguarded by the landmark law. Across the country, we were in Washington, DC multiple times throughout 2023 to lobby Congress and the White House to defend the ESA. And in the State Legislature, we worked with allies to finally shift beaver policy in Oregon away from a wild west mentality, that allowed beavers to be trapped and killed without so much as reporting to the state, toward management that recognizes the importance of our state animal as a critical ecosystem engineer.

If that wasn't enough, we saw the once-in-a-generation conservation effort – the River Democracy Act – reintroduced in Congress. Championed by Senator Ron Wyden and the product of thousands of nominations from average Oregonians this Wild & Scenic Rivers protection bill would designate streams all across the state and safeguard values like salmon habitat, clean drinking water, and wildlife corridors. The new bill was trimmed down to a still-monumental 3,200 river miles (for perspective, there are just over 13,000 river miles currently protected *across the entire United States*) and is now primed for passage whenever Congress can get their heads on straight.

If that summary wasn't enough, here are a few more accomplishments (large and small) from the fiscal year.

#### Protecting Special Places:

- Led the statewide coalition working to pass the River Democracy Act which was reintroduced by Senator Wyden and would protect 3,200 miles of Wild & Scenic Rivers all across Oregon
- Pushed Wild Rogue Wilderness, and Rogue and Molalla National Recreation Area legislation through a committee in the U.S. Senate
- Helped secure an important decision from the Ninth Circuit Court of Appeals upholding President Obama's expansion of Cascade-Siskiyou National Monument against attack by a timber company

#### Helping Native Species Thrive:

- Celebrated 50 years of the Endangered Species Act by:
  - Coordinating the installation of a stunning mural in downtown Portland featuring iconic threatened Oregon species
  - Speaking at a national ESA symposium in Washington, D.C.
  - Meeting with White House officials urging them to defend the ESA
- Successfully urged the Fish and Wildlife Commission to vote to ban wildlife killing contests on public land
- Coordinated a virtual wildlife lobby day for Oregon Wild activists to advocate for imperiled species recovery and the need for long-term conservation funding
- Filed suit in state court with allies Columbia Riverkeeper, Native Fish Society, the Nez Perce Tribe, and the Confederated Tribes of the Umatilla Indian Reservation to challenge the Oregon Fish and Wildlife Commission's adoption of rules changing definition of fish passage to include truck-and-haul

- Advanced legislation in Salem to create a long-term, dedicated funding source specifically for wildlife conservation and habitat restoration.

### **Defending and Restoring Oregon's Forests and Waters:**

- Continued to lead the national Climate Forests Campaign to finally protect mature and old growth forests across the country in recognition of the role they play in fighting climate change. Major actions included:
  - Releasing "America's Vanishing Climate Forests" report and supporting six rallies across the country in coordination
  - Partnering with allies to generate over 500,000 comments from across the country calling for strong rules that conserve mature and old growth forests
  - Working with social media activist Alex Haraus to garner more than 10 million views of social media posts bringing awareness to the need to protect mature and old-growth trees
- Along with allies, secured a major decision in court restoring protections for large and old trees on millions of acres of forests in Eastern Oregon that were weakened by the Trump administration
- Worked with NASA on a report highlighting the 584 square miles of logging happening in Oregon's Coast Range drinking watersheds over the last 20 years
- Passed the bipartisan Climate Resilience Package (HB 3409 and HB 3630) in the Oregon Legislature that included the Natural Climate Solutions bill which invests \$10 million in climate smart practices on forests, wetlands, and farmlands.
- Continued to be a vigilant watchdog for our public lands by:
  - Ground-truthing, monitoring, submitting formal comments on, and/or objecting to more than 150 timber sales and other proposed projects
  - Pressuring the Forest Service to drop a proposal to log over 1,000 acres of roadless wildlands in the Umatilla National
  - Forcing the withdrawal of Flat Country Timber Sale that targeted mature and old growth forest along the McKenzie River in the Willamette National Forest
  - Filing suit against BLM's Late Mungers Timber Sale, the Big Weekly Elk Timber Sale on the BLM Coos Bay District, and the Grasshopper Timber Sale on the Mount Hood National Forest to protect mature and old growth forests, habitat for marbled murrelets, and key watersheds

### **Connecting People to Wild Places:**

- Hosted webcasts on a monthly basis with over 1,000 attendees enjoying topics ranging from Oregon's rare salamanders to the Race Against Extinction on the Snake River.
- Back after a three-year hiatus, we offered 19 outings for the public and our members and got more than 140 people out to explore the forests, wild rivers, and wildlife habitat we love. We partnered with Portland Audubon, Great Old Broads for Wilderness, Eugene Environmental Film Festival, Siuslaw Watershed Council, Cascade Lakes Brewing, and Pro Photo Supply for some great experiences and added expertise.

## The Oregon Wild team

Fiscal year 2022-2023 saw Oregon Wild reach a staffing milestone with 22 members on staff – the most we have ever had. We added capacity on the public lands advocacy team and expanded our development team for the first time in decades. These new team members joined a group of incredibly dedicated and knowledgeable advocates that collectively accomplish amazing things together.

The breadth of our team allows us to cover the state like no other organization. We have the capacity to take on big challenges and monumental protection campaigns while still staying tuned in to the concerns of grassroots Oregonians facing daunting threats in their communities. In many ways, this keeps us true to our roots as an umbrella organization that can be of service to smaller volunteer-led entities across the state while also charting a big vision for Oregon's wild.

We draw our inspiration from the land that we protect and the people who give their time, money, and energy to fuel our work. As we enter our 50<sup>th</sup> year keeping Oregon Wild, we feel primed to launch into a successful second half of the century.

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

### 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, 2023, 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, 2023, 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 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 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**

Oregon Natural Resources Council Fund dba Oregon Wild's 2022 financial statements were audited by other auditors and they expressed an unmodified audit opinion on those audited financial statements in their report dated January 24, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*McDonald Jacobson, P.C.*

Portland, Oregon  
March 13, 2024



OREGON NATURAL RESOURCES COUNCIL FUND DBA OREGON WILD  
STATEMENT OF FINANCIAL POSITION  
September 30, 2023  
(With comparative totals for 2022)

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 983,918	\$ 1,353,893
Grants receivable	86,250	60,000
Inventory	5,672	8,756
Prepaid expenses	76,593	55,947
Investments	1,817,284	1,537,869
Operating lease right-of-use assets	6,488	-
Property and equipment, net	227,098	221,711
 TOTAL ASSETS	 \$ 3,203,303	 \$ 3,238,176
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 20,961	\$ 53,371
Accrued personnel expenses	274,815	189,863
Deferred revenue	29,136	-
Operating lease liabilities	6,488	-
Total liabilities	331,400	243,234
Net assets:		
Without donor restrictions:		
Undesignated	710,021	1,175,362
Board designated	1,814,849	1,535,434
Net property and equipment	227,098	221,711
Total without donor restrictions	2,751,968	2,932,507
With donor restrictions	119,935	62,435
Total net assets	2,871,903	2,994,942
 TOTAL LIABILITIES AND NET ASSETS	 \$ 3,203,303	 \$ 3,238,176

See notes to financial statements.

OREGON NATURAL RESOURCES COUNCIL FUND DBA OREGON WILD  
STATEMENT OF ACTIVITIES  
For the year ended September 30, 2023  
(With comparative totals for 2022)

	2023			2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and revenue:				
Contributions and memberships	\$ 826,681	\$ 10,500	\$ 837,181	\$ 945,921
Grants and contracts	344,250	368,960	713,210	903,176
Bequests	286,584	-	286,584	585,000
Donated materials and services	1,940	-	1,940	16,009
Special event revenue (net of direct benefit expenses of \$41,856 in 2023 and \$21,664 in 2022)	3,778	-	3,778	772
Coalition revenue	96,652	-	96,652	-
Investment income, net	59,621	-	59,621	66,768
Net realized/unrealized gain (loss)	60,059	-	60,059	(272,551)
Rental income	24,503	-	24,503	16,704
Other income	16,819	-	16,819	28,670
Net assets released from restrictions:				
Satisfaction of time restrictions	137,500	(137,500)	-	-
Satisfaction of purpose restrictions	184,460	(184,460)	-	-
Total support and revenue	2,042,847	57,500	2,100,347	2,290,469
Expenses:				
Program services	1,882,086	-	1,882,086	1,326,135
Management and general	205,637	-	205,637	211,989
Fundraising	135,663	-	135,663	201,952
Total expenses	2,223,386	-	2,223,386	1,740,076
Change in net assets	(180,539)	57,500	(123,039)	550,393
Net assets:				
Beginning of year	2,932,507	62,435	2,994,942	2,444,549
End of year	\$ 2,751,968	\$ 119,935	\$ 2,871,903	\$ 2,994,942

See notes to financial statements.

OREGON NATURAL RESOURCES COUNCIL FUND DBA OREGON WILD  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended September 30, 2023  
(With comparative totals for 2022)

	Program Services							2023 Total	2022 Total
	Helping Native Species Thrive	Defending and Restoring Oregon's Forests and Waters	Protecting Special Places	Total Program Services	Management and General	Fundraising			
Salaries and related expenses	\$ 180,759	\$ 776,209	\$ 465,409	\$ 1,422,377	\$ 151,888	\$ 72,293	\$ 1,646,558	\$ 1,171,504	
Professional fees	12,784	91,407	31,960	136,151	9,038	18,153	163,342	156,521	
Subgrants	7,594	24,206	15,662	47,462	-	-	47,462	19,561	
Program and event expenses	22,238	35,335	12,849	70,422	2,325	48,741	121,488	79,298	
Newsletter	2,074	8,933	5,327	16,334	1,734	23,799	41,867	40,166	
Occupancy	3,663	15,777	9,409	28,849	3,063	1,464	33,376	38,698	
Telephone and technology	4,572	19,504	11,029	35,105	4,072	3,067	42,244	39,938	
Equipment and maintenance	1,147	5,177	2,945	9,269	959	608	10,836	7,214	
Conferences, training and travel	6,271	23,454	20,337	50,062	1,504	2,857	54,423	15,220	
Office expense	592	2,565	1,616	4,773	1,821	936	7,530	12,624	
Insurance	1,692	7,287	8,951	17,930	1,415	677	20,022	19,747	
Direct mail	638	3,147	1,649	5,434	830	266	6,530	7,889	
Bank fees	-	-	-	-	20,635	-	20,635	16,644	
Miscellaneous	4,627	8,120	4,894	17,641	4,200	3,630	25,471	115,072	
Depreciation	2,575	11,089	6,613	20,277	2,153	1,028	23,458	21,644	
	<u>251,226</u>	<u>1,032,210</u>	<u>598,650</u>	<u>1,882,086</u>	<u>205,637</u>	<u>177,519</u>	<u>2,265,242</u>	<u>1,761,740</u>	
Less direct benefit expenses netted with revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,856)</u>	<u>(41,856)</u>	<u>(21,664)</u>	
Total expenses	<u>\$ 251,226</u>	<u>\$ 1,032,210</u>	<u>\$ 598,650</u>	<u>\$ 1,882,086</u>	<u>\$ 205,637</u>	<u>\$ 135,663</u>	<u>\$ 2,223,386</u>	<u>\$ 1,740,076</u>	

See notes to financial statements.

OREGON NATURAL RESOURCES COUNCIL FUND DBA OREGON WILD  
STATEMENT OF CASH FLOWS  
For the year ended September 30, 2023  
(With comparative totals for 2022)

	2023	2022
<b>Cash flows from operating activities:</b>	\$ (123,039)	\$ 550,393
Change in net assets		
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	23,458	21,644
Amortization of right-of-use assets	2,761	-
Net realized/unrealized (gain) loss on investments	(60,059)	272,551
(Increase) decrease in:		
Grants receivable	(26,250)	(59,202)
Inventory and prepaid expenses	(17,562)	(7,109)
Increase (decrease) in:		
Accounts payable and accrued expenses	52,542	50,755
Deferred revenue	29,136	-
Operating lease liabilities	(2,761)	-
Net cash flows from operating activities	(121,774)	829,032
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(28,845)	(2,803)
Proceeds from the sale of investments	206,775	45,351
Purchase of investments	(426,131)	(471,971)
Net cash flows from investing activities	(248,201)	(429,423)
Net change in cash and cash equivalents	(369,975)	399,609
Cash and cash equivalents - beginning of year	1,353,893	954,284
Cash and cash equivalents - end of year	\$ 983,918	\$ 1,353,893
<b>Supplemental cash flow information:</b>		
Cash paid for operating leases	\$ 3,024	\$ -
Non-cash operating and investing activities:		
Obtaining right-of-use assets in exchange for lease liabilities	9,249	-

See notes to financial statements.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2023

1. NATURE 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.

The Organization programs include:

**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.

**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.

**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.

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.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets with Donor Restrictions* - Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents. Cash and cash equivalents held for long-term investment purposes are excluded from cash and cash equivalents and are included in investments.

Grants Receivable

Grants receivable are reported at the amount management expects to collect on balances outstanding at year-end. Management makes an annual determination of the adequacy of the allowance for grants receivable based on an assessment of the credit history with those having outstanding balances and current relationships with them. Management believes no allowance is required as of September 30, 2023 and 2022.

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 net realizable value 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, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Investments

Investments are carried at fair value.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Leases are included in right-of-use (ROU) assets and operating lease liabilities in the statement of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term, and operating lease liabilities represent the Organization's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option.

The Organization does not report ROU assets and operating leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Property and Equipment

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment purchased are recorded at cost. Donated assets are reflected as contributions at their estimated values on the date received.

Depreciation

Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets which range from 10 to 30 years for buildings and improvements and 3 to 15 years for furniture and equipment.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

Income Tax Status

Oregon Natural Resources Council Fund dba Oregon Wild is a nonprofit corporation exempt from income tax under section 501(c)(3) of the Internal Revenue Code and applicable state law. No provision for income taxes is made in the accompanying financial statements, as the Organization has no activities subject to unrelated business income tax. The Organization is not a private foundation.

The Organization follows the provisions of FASB ASC Topic 740 *Accounting for Uncertainty in Income Taxes*. Management has evaluated the Organization's tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this Topic.

Revenue Recognition

Revenues from various sources are recognized as follows:

**Contributions:** Contributions, including memberships, bequests, and unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. Membership payments received from the Organization's members are considered equivalent to without donor restrictions contributions and are recognized as revenue when received. Bequests are recorded as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

**Grants and Contracts:** Grants and contracts are conditioned upon certain performance requirements and/or incurring allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as contract advances in the statement of financial position.

**Donated Assets, Materials and Services:** Donations of property, equipment, materials and other assets are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donation to a specific purpose. The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.



OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

Revenue Recognition, Continued

**Special Events:** The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Sponsorships are recorded as revenue at the time of the commitment unless commensurate value is included a part of the agreements. The portion of the sponsorship revenue that relates to commensurate value of the sponsor received in return is recognized when the related events are held and performance obligations are met. Funds received in advance are reported as deferred revenue.

**Coalition Revenue:** Coalition revenues represents funds collected for the Oregon Wildlife Coalition and Pacific Northwest Forest Climate Alliance and are recognized as revenue when costs are incurred to further the initiatives of these groups.

**Rental Income:** Rental income is earned and recognized as revenue over the term of the lease.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and related expenses, office expense, occupancy, telephone, technology, equipment, newsletter, insurance and depreciation, which have been allocated based on estimates of time and effort.

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. Reclassifications were mostly revenue related. The reclassifications had no impact on previously reported net assets.

Summarized Financial Information for 2022

The financial information as of September 30, 2022 and for the year then ended is presented for comparative purposes and is not intended to be a complete financial statement presentation.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED  
 September 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

Changes in Accounting Standard

Effective October 1, 2022, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2022). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended September 30, 2023.

Subsequent Events

The Organization has evaluated all subsequent events through March 13, 2024, the date the financial statements were available to be issued.

3. AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use.

Financial assets available for general expenditure consist of the following at September 30, 2023 and 2022:

	2023	2022
Cash and cash equivalents	\$ 983,918	\$ 1,353,893
Grants receivable	86,250	60,000
Investments	1,817,284	1,537,869
	2,887,452	2,951,762
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions	119,935	62,435
Board designated	1,814,849	1,535,434
Financial assets available for general expenditure	\$ 952,668	\$ 1,353,893

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

3. AVAILABLE RESOURCES AND LIQUIDITY, Continued

Board designated funds maintained for special projects and reserve funds may be released if approved by simple majority vote of the Board of Directors. 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. See Notes 9 and 11 regarding board designated net assets and endowment.

4. GRANTS RECEIVABLE

Grants receivable are unsecured and expected to be collected as follows at September 30, 2023 and 2022:

	2023	2022
Due within one year	\$ 46,250	\$ 60,000
Due within two to five years	40,000	-
Total grants receivable	<u>\$ 86,250</u>	<u>\$ 60,000</u>

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of the following at September 30, 2023 and 2022:

	2023	2022
Cash and cash equivalents	\$ 51,863	\$ 493,672
Mutual and exchange-traded funds:		
Equity	1,276,582	647,144
Fixed income	488,839	397,053
Total investments	<u>\$ 1,817,284</u>	<u>\$1,537,869</u>

Investments are held for the following purposes at September 30, 2023 and 2022:

	2023	2022
Endowment	\$ 1,380,182	\$ 796,504
Special projects and reserve funds	437,102	741,365
	<u>\$ 1,817,284</u>	<u>\$1,537,869</u>

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS, Continued

Fair Value Measurements

Investments recorded at fair value in the statement of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets, or quoted market prices for identical assets or liabilities in inactive markets.

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

Fair values for mutual and exchange-traded funds are determined by reference to quoted market prices and other relevant information generated by market transactions based on Level 1 inputs.

6. OPERATING LEASES

The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the operating lease liabilities represent the Organization's obligation to make lease payments arising from these leases.

The Organization's leases consist of leases for equipment with remaining lease terms of approximately 2.5 to 4 years. The Organization also leases office space on a month-to-month basis and these leases are cancellable at any time with adequate notice.

The statement of financial position at September 30, 2023 reflects ROU assets and operating lease liabilities of \$6,488. The weighted average discount rate applied to calculate the lease liabilities as of September 30, 2023 is 3.9%.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

6. OPERATING LEASES, Continued

The maturities of operating leases as of September 30, 2023 are as follows:

Year ending September 30, 2024	\$ 3,155
2025	1,974
2026	792
2027	792
2028	131
	<u>6,844</u>
Less discount	(356)
Present value of operating lease liabilities	<u>\$ 6,488</u>

For the year ended September 30, 2023, operating lease cost of approximately \$3,000 and short-term lease cost of approximately \$21,100 are included in occupancy and equipment and maintenance.

Rent expense under FASB ASC Topic 840, Leases (pre-adoption of new standards) for operating leases totaled approximately \$2,400 for the year ended September 30, 2022. The aggregate minimum lease payments under those operating leases as of September 30, 2022 were as follows:

Year ending September 30, 2023	\$ 2,364
2024	197
2025	788
	<u>\$ 3,349</u>

7. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land and improvements	\$ 119,401	\$ 119,401
Buildings and improvements	457,826	457,825
Furniture and equipment	145,705	122,061
	<u>722,932</u>	<u>699,287</u>
Less accumulated depreciation	495,834	477,576
Property and equipment, net	<u>\$ 227,098</u>	<u>\$ 221,711</u>

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

8. CONTINGENCY

Amounts received or receivable from various contracting agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Organization if so determined in the future. It is management's belief that no significant amounts received or receivable will be required to be returned in the future.

9. BOARD DESIGNATED NET ASSETS

Board designated net assets are designated as follows at September 30, 2023 and 2022:

	2023	2022
Special projects and reserve funds	\$ 437,102	\$ 741,365
Board-designated endowment (Note 11)	1,377,747	794,069
Total board-designated net assets	\$ 1,814,849	\$ 1,535,434

Endowment assets include net assets designated by the board to function as an endowment. The board-designated endowment is funded with bequests, annuities, and planned gifts not designated by the donor for current operations or programs. 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 board-designated endowment fund. Additionally, once the special project reserve funds reach \$500,000, new funds will all be added to the board-designated endowment. The Board re-designated approximately \$400,000 from the special projects and reserve fund to the board-designated endowment in 2023.

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at September 30, 2023 and 2022:

	2023	2022
With expiring donor restrictions:		
Time restricted	\$ 117,500	\$ 60,000
With perpetual donor restrictions:		
Donor-restricted endowment (Note 11)	2,435	2,435
	\$ 119,935	\$ 62,435

The Organization holds assets in a donor-restricted endowment fund. The principal of the endowment fund is to be held in perpetuity and the earnings are without donor restrictions. See Note 11, Endowment.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

II. ENDOWMENT

The Organization's endowment consists of a donor-restricted fund and funds designated by the board to function as an endowment. As required by U.S. generally accepted accounting principles (GAAP), net assets associated with endowment funds including funds designated by the board of directors to function as an endowment, are classified and reported based on the existence or absence of donor-imposed restrictions or board designations.

Interpretation of Relevant Law

The board of directors of the Organization has interpreted Oregon's Uniform Prudent Management of Institutional Funds Act (UPMIFA or the Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with perpetual restrictions, (a) the original value of gifts donated to the perpetual endowment (b) the original value of subsequent gifts to the perpetual endowment and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as net assets with perpetual restrictions is classified as net assets with expiring restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the Act.

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

- (1) The duration and preservation of the fund
- (2) 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 of the Organization
- (7) The investment policies of the Organization

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.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED  
 September 30, 2023

II. ENDOWMENT, Continued

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

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).

Spending Policy and How the Investment Objectives Relate to Spending Policy

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. In establishing this policy, the Organization considers the long-term expected investment return on the endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

Endowment net asset composition consists of the following at September 30, 2023 and 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Perpetual Restrictions</u>	<u>Total</u>
<b>September 30, 2023</b>			
Donor-restricted	\$ -	\$ 2,435	\$ 2,435
Board-designated	<u>1,377,747</u>	<u>-</u>	<u>1,377,747</u>
Total funds	<u>\$ 1,377,747</u>	<u>\$ 2,435</u>	<u>\$ 1,380,182</u>
<b>September 30, 2022</b>			
Donor-restricted	\$ -	\$ 2,435	\$ 2,435
Board-designated	<u>794,069</u>	<u>-</u>	<u>794,069</u>
	<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, 2023

11. ENDOWMENT, Continued

Changes in endowment net assets for the years ended September 30, 2023 and 2022 are as follows:

	Without Donor <u>Restrictions</u>	With Donor Perpetual <u>Restrictions</u>	<u>Total</u>
Balance at September 30, 2021	\$ 1,022,009	\$ 2,435	\$ 1,024,444
Contributions	2,500	-	2,500
Investment return, net	(192,146)	-	(192,146)
Appropriated for expenditure	<u>(38,294)</u>	<u>-</u>	<u>(38,294)</u>
Balance at September 30, 2022	794,069	2,435	796,504
Contributions	486,734	-	486,734
Investment return, net	96,944	-	96,944
Appropriated for expenditure	<u>-</u>	<u>-</u>	<u>-</u>
Balance at September 30, 2023	<u>\$ 1,377,747</u>	<u>\$ 2,435</u>	<u>\$ 1,380,182</u>

12. DONATED MATERIALS AND SERVICES

The Organization received donated materials and services during years ended September 30, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Goods and supplies	\$ 440	\$ 16,009
Professional fees	1,500	-
Auction items	<u>55,160</u>	<u>-</u>
	57,100	16,009
Less: auction items netted	<u>(55,160)</u>	<u>-</u>
Total donated materials and services	<u>\$ 1,940</u>	<u>\$ 16,009</u>

Contributed goods, supplies, auction items, and professional fees are recorded at fair value based on the current cost to acquire the goods or services, or the sale price of comparable goods and services.

In addition, a number of unpaid volunteers provide significant contributions of their time to develop and implement the Organization's programs. There were approximately 1,300 and 1,600 volunteered hours during the years ended September 30, 2023 and 2022, respectively. The value of such services, which do not meet the criteria for recording donated services, has not been recognized in the accompanying financial statements.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED  
 September 30, 2023

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

For revenue from contracts with customers, the timing of revenue recognition, billings, and cash collections may result in billed accounts receivable (contract asset) and customer advances and deposits and deferred revenue (contract liabilities) on the statements of financial position.

- Revenue for coalition work is recognized over time as the work is performed. Revenue is typically based on costs incurred.
- Revenue from rents is recognized over the time of the lease term. Rents are based on agreed upon pricing for the space.

There are no significant judgments affecting the determination of amount and timing of program fees revenue. Total revenue by contract type is as follows years ended September 30, 2023 and 2022:

Revenue by type:	2023	2022
Coalition revenue - over time	\$ 96,652	\$ -
Rental revenue - point in time	24,503	16,704
	\$ 121,155	\$ 16,704

There are no contract assets or liabilities associated with these revenues.

14. 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 contributions to the plan of approximately \$35,800 for the year ended September 30, 2023. No contributions to the plan were made for the year ended September 30, 2022.

OREGON NATURAL RESOURCES COUNCIL FUND dba OREGON WILD  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

15. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in two financial institutions, including an Intrafi Cash Service account which places deposits with multiple institutions. Balances in each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances, at times, may exceed the federally insured limit. There were no balances in excess of insured limits as of September 30, 2023 and 2022.

Investment 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.

16. RELATED PARTY DISCLOSURE

The Organization entered into a contract whereby Oregon Wild Conservation Leaders Fund (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 years ended September 30, 2023 and 2022 was approximately \$1,200 and \$53,000, respectively.