



Gary McGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

Oregon Wildlife Foundation

Consolidated Financial Statements and Other Information
as of and for the Year Ended December 31, 2020
and Report of Independent Accountants

OREGON WILDLIFE FOUNDATION

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REPORT OF INDEPENDENT ACCOUNTANTS

*The Board of Directors
Oregon Wildlife Heritage Foundation:*

We have audited the accompanying consolidated financial statements of the Oregon Wildlife Heritage Foundation (dba the “Oregon Wildlife Foundation”), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Oregon Wildlife Heritage Foundation as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Summarized Comparative Information

We have previously audited the Oregon Wildlife Heritage Foundation's 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 22, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Ernst & Young LLP

May 17, 2021, except for Note 3, as to which the date is June 15, 2022

OREGON WILDLIFE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

(WITH COMPARATIVE AMOUNTS FOR 2019)

| | 2020 | 2019 |
|--|---------------------|------------------|
| Assets: | | |
| Cash and cash equivalents | \$ 1,482,579 | 1,078,731 |
| Grants and contributions receivable <i>(note 3)</i> | 5,179 | 231,675 |
| Inventories | 217,261 | 156,318 |
| Prepaid expenses and other assets | 20,409 | 11,507 |
| Investments <i>(note 4)</i> | 1,590,631 | 288,289 |
| Beneficial interest in assets held by the Oregon Community Foundation <i>(note 5)</i> | 2,883,151 | 3,955,986 |
| Property and equipment <i>(note 6)</i> | 165,154 | 179,257 |
| Total assets | \$ 6,364,364 | 5,901,763 |
| Liabilities: | | |
| Accounts payable and accrued expenses | 8,122 | 15,092 |
| Grant refunds payable | 177,376 | - |
| Accrued payroll and related expenses | 14,195 | 9,147 |
| Grants payable | 2,575 | 22,108 |
| Conditional grants <i>(note 3)</i> | 251,040 | 37,271 |
| Refundable event sponsorships | - | 15,500 |
| Refundable license plate vouchers | 58,048 | 30,717 |
| Funds held on behalf of others <i>(note 8)</i> | 84,611 | 126,026 |
| Note payable <i>(note 9)</i> | 150,000 | - |
| Total liabilities | 745,967 | 255,861 |
| Net assets: | | |
| Without donor restrictions: | | |
| Available for programs and general operations | 257,077 | 419,817 |
| Designated by the Board <i>(note 10)</i> | 629,554 | 607,189 |
| Net investment in capital assets | 165,154 | 179,257 |
| Total without donor restrictions | 1,051,785 | 1,206,263 |
| With donor restrictions <i>(note 11)</i> | 4,566,612 | 4,439,639 |
| Total net assets | 5,618,397 | 5,645,902 |
| Commitments and contingencies <i>(notes 3, 14, 16, 17, and 18)</i> | | |
| Total liabilities and net assets | \$ 6,364,364 | 5,901,763 |

See accompanying notes to consolidated financial statements.

OREGON WILDLIFE FOUNDATION

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

| | 2020 | | Total | 2019 |
|--|----------------------------|-------------------------|------------------|------------------|
| | Without donor restrictions | With donor restrictions | | |
| Revenues, gains, and other support: | | | | |
| Grants and contributions | \$ 165,341 | 692,490 | 857,831 | 401,047 |
| Payroll Protection Program grant (note 14) | – | 91,643 | 91,643 | – |
| Special events, net of direct costs of \$27,525 in 2020 and \$47,147 in 2019 | 80,417 | – | 80,417 | 93,402 |
| Gift store sales revenue, net of costs of sales of \$63,502 in 2020 and \$314,399 in 2019 | 40,855 | – | 40,855 | 315,433 |
| Other sales | 5,725 | – | 5,725 | 15,343 |
| Interest income | 1,777 | – | 1,777 | 3,447 |
| Net change in beneficial interest in general operating assets held by the Oregon Community Foundation (note 5) | – | – | – | 19,629 |
| Other | 3,936 | – | 3,936 | (2,621) |
| Total revenues and gains | 298,051 | 784,133 | 1,082,184 | 845,680 |
| Appropriation of endowment assets for expenditure (notes 5 and 12) | 70,000 | 104,077 | 174,077 | 150,142 |
| Net assets released from restrictions (note 13) | 902,874 | (902,874) | – | – |
| Total revenues, gains, and other support | 1,270,925 | (14,664) | 1,256,261 | 995,822 |
| Expenses (note 15): | | | | |
| Program services | 1,176,165 | – | 1,176,165 | 1,006,240 |
| Supporting services: | | | | |
| Management and general | 109,527 | – | 109,527 | 122,668 |
| Fundraising | 98,285 | – | 98,285 | 83,431 |
| Total expenses | 1,383,977 | – | 1,383,977 | 1,212,339 |
| Decrease in net assets before non-operating activities | (113,052) | (14,664) | (127,716) | (216,517) |
| Non-operating activities: | | | | |
| Endowment return (notes 4 and 12) | 28,574 | 87,702 | 116,276 | 45,572 |
| Net change in beneficial interest in endowment assets held by the Oregon Community Foundation (notes 5 and 12) | – | 287,308 | 287,308 | 618,457 |
| Appropriation of endowment assets for expenditure (note 12) | (70,000) | (104,077) | (174,077) | (150,142) |
| Loss on bequest receivable (note 3) | – | (129,296) | (129,296) | – |
| Increase (decrease) in net assets | (154,478) | 126,973 | (27,505) | 297,370 |
| Net assets at beginning of year | 1,206,263 | 4,439,639 | 5,645,902 | 5,348,532 |
| Net assets at end of year | \$ 1,051,785 | 4,566,612 | 5,618,397 | 5,645,902 |

See accompanying notes to consolidated financial statements.

OREGON WILDLIFE FOUNDATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

| | 2020 | | | | 2019 |
|------------------------------------|------------------|------------------------|-------------|-----------|-----------|
| | Program services | Management and general | Fundraising | Total | |
| Salaries and related expenses | \$ 284,943 | 74,269 | 81,269 | 440,481 | 431,382 |
| Project costs | 818,085 | – | – | 818,085 | 626,613 |
| Professional services | – | 22,052 | 3,900 | 25,952 | 39,766 |
| Bank fees | 3,931 | 720 | 749 | 5,400 | 17,594 |
| Supplies | 16,921 | 884 | 50 | 17,855 | 11,478 |
| Telephone | 8,868 | 2,051 | 2,173 | 13,092 | 12,836 |
| Occupancy | 11,801 | 3,447 | 3,875 | 19,123 | 14,633 |
| Income taxes | 273 | 14 | – | 287 | 15,394 |
| Insurance | 7,093 | 1,055 | 934 | 9,082 | 8,942 |
| Membership and newsletter | – | – | 4,043 | 4,043 | 2,034 |
| Travel | 1,557 | 770 | 19 | 2,346 | 1,066 |
| Postage | 792 | 121 | 109 | 1,022 | 1,037 |
| Printing | – | 509 | – | 509 | 510 |
| Repairs and maintenance | 6,603 | 679 | – | 7,282 | 4,399 |
| Conference and meetings | – | 159 | – | 159 | 71 |
| Other | 2,550 | 1,442 | 1,164 | 5,156 | 8,161 |
| Total expenses before depreciation | 1,163,417 | 108,172 | 98,285 | 1,369,874 | 1,195,916 |
| Depreciation | 12,748 | 1,355 | – | 14,103 | 16,423 |
| Total expenses | \$ 1,176,165 | 109,527 | 98,285 | 1,383,977 | 1,212,339 |

See accompanying notes to consolidated financial statements.

OREGON WILDLIFE FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

| | 2020 | 2019 |
|--|--------------|-------------|
| Cash flows from operating activities: | | |
| Cash received from grantors, donors, and members | \$ 1,521,896 | 590,769 |
| Cash received from sales and other sources | 99,934 | 633,201 |
| Cash received from interest | 29,672 | 11,699 |
| Distribution of investment return earned on assets held by the Oregon Community Foundation (<i>note 5</i>) | 104,077 | 154,907 |
| Cash paid for programs and operating costs | (1,543,836) | (1,556,512) |
| Net cash provided by (used in) operating activities | 211,743 | (165,936) |
| Cash flows from investing activities: | | |
| Partial liquidation of funds held by the Oregon Community Foundation | 1,256,066 | – |
| Purchase of investments | (1,256,066) | – |
| Sale of investments | 70,000 | – |
| Reinvestment of investment income | (27,895) | (8,252) |
| Capital expenditures | – | (16,724) |
| Net cash provided by (used in) investing activities | 42,105 | (24,976) |
| Cash flows from financing activities: | | |
| Receipt of loan proceeds (<i>note 9</i>) | 150,000 | – |
| Net cash provided by financing activities | 150,000 | – |
| Net increase (decrease) in cash and cash equivalents | 403,848 | (190,912) |
| Cash and cash equivalents at beginning of year | 1,078,731 | 1,269,643 |
| Cash and cash equivalents at end of year | \$ 1,482,579 | 1,078,731 |

See accompanying notes to consolidated financial statements.

OREGON WILDLIFE FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

1. The Organization

The Oregon Wildlife Heritage Foundation (“Oregon Wildlife Foundation”) is a nonprofit organization established in 1981 through the efforts of the Oregon Fish and Wildlife Commission and a small group of dedicated, volunteer business leaders to initiate, organize, and support projects through public and private partnerships that benefit fish and wildlife throughout the State of Oregon.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the Foundation are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Principles of Consolidation – The accompanying financial statements include the accounts of the Foundation and its single-member, limited liability corporation, Spruce Gifts & Provisions (formerly known as “Bonnevillie Gift Store”). All significant inter-company investments, accounts, and transactions have been eliminated.

Basis of Presentation – Net assets, revenues, gains and losses are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation 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-imposed stipulations. From time to time, the Foundation’s Board of Directors may designate a portion of these net assets for particular purposes and objectives.
- *Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time. These balances represent the unexpended portion of donor-restricted contributions and investment return to be used for specific programs and activities as directed by the donor. The balances also include net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation (e.g., endowment funds). Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are also reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets (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.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. In the opinion of management, such differences, if any, would not be significant.

Cash Equivalents – For purposes of the financial statements, the organization considers all liquid investments having initial maturities of three months or less to be cash equivalents.

Cash and cash equivalents held as part of the Foundation’s investment portfolio, and where management’s intention is to use the cash to acquire investments to be held long-term, are classified as investments.

Inventories – Inventories, which consist primarily of educational materials and other items held for sale in the Bonneville Gift Shop, are carried at the lower of cost or market value.

Investments – All investments are carried at fair value. The net change in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (decline) of those investments, is reported in the consolidated statement of activities. Investment income is accrued as earned, and reported net of investment advisory fees. Security transactions are recorded on a trade date basis.

The Foundation has some exposure to investment risks, including interest rate, market and credit risks, for marketable securities. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect the amounts reported in the accompanying financial statements.

Capital Assets and Depreciation – Property and equipment are carried at cost, and at fair value when acquired by gift. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which is generally 30 to 40 years for buildings, and 5 to 10 years for land improvements, furniture, and equipment.

Revenue Recognition – With regard to revenues, the Foundation evaluates whether each transfer of assets is (1) an exchange (reciprocal) transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or a grant), where no value is exchanged.

- *Exchange Transactions* – If the transfer of assets is determined to be an exchange transaction, the Foundation recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service.

The Foundation’s exchange transactions consist primarily of revenues from merchandise and other sales. These revenues are generally recognized at the time of service delivery.

- *Contributions and Grants* – If the transfer of assets is determined to be a contribution, the Foundation evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds and (2) either a right of return of assets transferred or a right of release of a promisor’s obligation to transfer assets.

- *Governmental Support* – Activities funded by governments are often carried out for the benefit of the general public, rather than to obtain goods or services for the government’s own use or proprietary benefit. Accordingly, if the primary beneficiary of the activity is the general public, rather than the government itself, the transaction is treated as nonreciprocal (i.e., a contribution).

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the donor’s commitment is received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions and grants received with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions.

Unconditional promises to give with payments due in future periods, are recorded as increases in net assets with donor restrictions at the estimated present value of future cash flows using credit adjusted discount rates which articulate to the collection period of the respective pledge. Such discount rates are not subsequently revised. Amortization of the discount is recorded as additional contribution revenue in subsequent years in the appropriate net asset class. Promises to give are written off when deemed uncollectible.

Contributions and grants receivable are reported net of an allowance for estimated uncollectible promises.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Contributions of capital assets without donor stipulations concerning the use of such long-lived assets are reported as revenues of the net assets without donor restrictions class. Contributions of cash or other assets to be used to acquire capital assets with such donor stipulations are reported as net assets with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

In-Kind Contributions – A number of unpaid volunteers have made significant contributions of their time to develop and implement the Foundation’s programs. Under generally accepted accounting principles, significant services received which create or enhance a non-financial asset or require specialized skills that the organization would have purchased if not donated are recognized in the consolidated statement of activities. During the year ended December 31, 2020, the Foundation recorded no contributed services.

In-kind contributions of land, buildings, equipment, and other materials are recorded where there is an objective basis upon which to value these contributions and where the contributions are an essential part of the Foundation’s activities. During the year ended December 31, 2020, the Foundation recorded \$445 in program supplies, \$1,586 in special event supplies, and \$6,334 in inventory for future events.

Benefits Provided to Donors at Special Events – The Foundation conducts special fundraising events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of the benefits received by participants at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the organization.

Outstanding Legacies – The Oregon Wildlife Foundation is the beneficiary under various wills and trust agreements, the total realizable amounts of which are not presently determinable. The organization’s share of such bequests is recorded when the probate courts declare the testamentary instrument valid and the proceeds are measurable.

Advertising and Marketing Expenses – Advertising and marketing costs are charged to expense as they are incurred.

Concentrations of Credit Risk – The Foundation’s financial instruments consist primarily of cash equivalents, investments and its beneficial interest in assets held by the Oregon Community Foundation (the “OCF”), which may subject the organization to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation (“FDIC”). The Foundation’s beneficial interest in funds held by the OCF is dependent upon changes in the fair values of the underlying investments and the ability of the OCF to honor its commitment. Also see note 5.

All checking and savings accounts, money market deposit accounts, and certificates of deposit are insured by the FDIC for up to \$250,000 for each depositor, for each insured bank, for each account ownership category. At December 31, 2020, the organization held \$1,137,462 in excess of FDIC-insured limits.

Certain receivables may also, from time to time, subject the organization to concentrations of credit risk. To minimize its exposure to significant losses from customer or donor insolvencies, the organization’s management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics. When necessary, receivables are reported net of an allowance for uncollectible accounts.

Income Taxes – The Oregon Wildlife Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and comparable state law. The Bonneville Gift Store is a single-member, limited liability corporation, with the organization as its single, controlling member, and is disregarded for tax purposes. The Foundation has been recognized as a public charity under IRC Sections 170(b)(1)(A)(vi) and 509(a)(1).

Operating Results – Operating results reported in the consolidated statement of activities reflect all transactions that change net assets without

donor restrictions, except for the net investment return on endowment and related assets (less the amounts appropriated by the Board to support current operations). In accordance with the Foundation’s endowment distribution policy, only the portion of total investment return distributed under this policy to meet operating needs is included in operating revenue. Other operating investment income consists of interest, dividends, and other investment return earned on unrestricted, non-endowment assets.

Subsequent Events – Subsequent events have been evaluated by management through May 17, 2021, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2019 – The accompanying financial information as of and for the year ended December 31, 2019, is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

Other Significant Accounting Policies – Other significant accounting policies are set forth in the financial statements and the following notes.

3. Grants and Contributions Receivable and Conditional Grants

Grants and contributions receivable consist of unconditional promises expected to be collected in less than one year and total \$5,179 at December 31, 2020.

On June 15, 2022, it was determined by management that the viability of a bequest receivable recorded in the year-ended December 31, 2017 was doubtful. As such, management elected to write off the remaining balance of \$129,296, and report the write-off on the statement of activities as a non-operating loss.

In addition, at December 31, 2020 the Foundation held four conditional grants totaling \$378,938. These awards are conditioned upon the organization incurring certain expenses or submitting required interim reports and obtaining approval from grantor in accordance with the grant agreements.

Accordingly, these awards have not yet been reported in the accompanying financial statements because the related conditions had not been satisfied as of December 31, 2020. Of the \$378,938 total, the Foundation held \$251,040 in cash advances as of December 31, 2020, an amount which has been reported in the accompanying consolidated statement of financial position as a conditional grant liability.

4. Investments and Investment Return

The following is a summary of investments held at December 31, 2020:

| | |
|--------------------------------|--------------|
| Money market mutual fund | \$ 639,459 |
| Large-cap mutual funds | 277,214 |
| Foreign large-cap mutual funds | 236,202 |
| Fixed income mutual funds | 155,401 |
| U.S. Treasury bond funds | 91,214 |
| Mid-cap mutual funds | 75,837 |
| Emerging markets mutual funds | 53,487 |
| Small-cap mutual funds | 41,318 |
| <hr/> | |
| Total investments | 1,570,132 |
| Cash equivalents | 20,499 |
| | <hr/> |
| | \$ 1,590,631 |
| <hr/> | |

Investments are held for the following purposes:

| | |
|---------------------------------|--------------|
| Donor-restricted endowment fund | \$ 1,380,346 |
| Board-designated endowment fund | 210,285 |
| <hr/> | |
| | \$ 1,590,631 |
| <hr/> | |

Endowment return for the year ended December 31, 2020 is summarized as follows:

| | |
|---|------------|
| Interest and dividends | \$ 27,895 |
| Net appreciation in the fair value of investments | 88,381 |
| <hr/> | |
| | \$ 116,276 |
| <hr/> | |

5. Beneficial Interest in Assets Held by the Oregon Community Foundation

The Oregon Wildlife Foundation has established several funds at the Oregon Community Foundation, which holds and invests them as component funds for the benefit of the organization. These include both donor-restricted endowment and Board-designated funds (see note 12).

These funds were established through a transfer of assets to the OCF in return for the contractual promise of a perpetual stream of future distributions back to the organization, based on the OCF's spending rate and related policies (described below).

Although the OCF accepted the transferred assets subject to its own variance power, the Foundation has retained a future economic beneficial interest in the transferred assets, having named itself as the beneficiary of the transferred funds and related future investment return. As of December 31, 2020, management believes that future distributions from the OCF are capable of fulfillment and consistent with the OCF's mission.

The Foundation accounts for its interest in these funds using the equity method of accounting, which approximates the present value of the estimated expected future cash flow that will inure to the Foundation in the future. Management's estimate of fair value is based solely upon information provided by the OCF.

Continued

Changes in the Foundation’s beneficial interest in these funds for the year ended December 31, 2020 are summarized as follows:

| | Donor-restricted endowment | | | General operating reserve | Total |
|--|----------------------------|--------------------------------------|-------------|---------------------------|-------------|
| | Bernice Fisk endowment | Robert D. and Beulah Drake endowment | Total | | |
| Balance at beginning of year | \$ 381,233 | 3,453,055 | 3,834,288 | 121,698 | 3,955,986 |
| Add increase in the fair value of the funds | 41,944 | 245,364 | 287,308 | – | 287,308 |
| Less the distribution of investment return to the Foundation | (15,253) | (88,824) | (104,077) | – | (104,077) |
| Less transfer of funds to investment account | – | (1,134,368) | (1,134,368) | (121,698) | (1,256,066) |
| Balance at end of year | \$ 407,924 | 2,475,227 | 2,883,151 | – | 2,883,151 |

Under the terms of its agreement with the OCF, the funds are invested at the discretion of OCF’s Board of Directors and are held in a mixture of asset classes designed to maximize return while minimizing risk. The Oregon Wildlife Foundation generally receives periodic distributions of the net investment return earned on these assets (generally 4.45% of the average fair market value of the funds using a trailing 13-quarter average), which are made each June and December. During the year ended December 31, 2020, the organization received total distributions of investment return of \$104,077, and other withdrawals of \$1,256,066 which were transferred to investment accounts.

6. Property and Equipment

A summary of the Foundation’s property and equipment at December 31, 2020 is as follows:

| | |
|-------------------------------|------------|
| Gift store building | \$ 437,760 |
| Furniture | 24,648 |
| Land improvements | 20,950 |
| Operating equipment | 5,002 |
| | 488,360 |
| Less accumulated depreciation | (323,206) |
| | \$ 165,154 |

In addition to the above, Spruce Gifts and Provisions (see note 7) is situated on land controlled by the Oregon Department of Fish and Wildlife, and made available rent-free to the organization. Because an estimate of the value of this ongoing contribution to the organization is not readily determinable, no value has been ascribed to this in-kind contribution nor included in the accompanying financial statements.

7. Spruce Gifts and Provisions

The Foundation’s gift store, Spruce Gifts and Provisions, was organized by the Foundation in 1990 as a wholly-owned, for-profit corporation to manage the store located at the Bonneville Fish Hatchery in Cascade Locks, Oregon. The gift store operations expanded in 2020, to include a second location in Hood River, Oregon. The two stores feature a variety of fish and wildlife art, woodcarvings, pottery, and apparel as well as specialty foods from Oregon.

The gift store is a single-member, limited liability corporation, with the organization as its single, controlling member.

8. Funds Held on Behalf of Others

The Foundation serves as custodian on behalf of the Oregon Department of Fish and Wildlife and other organizations. Funds received in this capacity are invested with the organization's assets, but are accounted for separately.

A summary of funds held on behalf of others at December 31, 2020 is as follows:

| | |
|--|-----------|
| Oregon Department of Fish and Wildlife | \$ 42,953 |
| Willamette Habitat Restoration | 34,700 |
| Youth Outdoor Day | 4,807 |
| Bird house project | 2,151 |
| | <hr/> |
| | \$ 84,611 |

9. Note Payable

In June 2020, Oregon Wildlife Foundation obtained a loan from the U.S. Small Business Administration in the amount of \$150,000, pursuant to the Economic Injury Disaster Loan program under Section 7(b) of the Small Business Act, a program designed to provide economic relief to nonprofit organizations and businesses that are currently experiencing a temporary loss of revenue due to COVID-19.

The note bears interest at 2.75% and requires monthly payments of \$641 beginning in June of 2021, to be applied initially to accrued interest and interest and principle thereafter. Final payment of interest and principal is due in June of 2050. The note is secured by all of the organization's tangible and intangible personal property. Future minimum principal payments under the note are as follows:

| | |
|-----------------------------------|------------|
| <i>Years ending September 30,</i> | |
| 2021 | \$ - |
| 2022 | 1,727 |
| 2023 | 3,604 |
| 2024 | 3,694 |
| 2025 | 3,810 |
| Thereafter | 137,165 |
| | <hr/> |
| | \$ 150,000 |

10. Net Assets without Donor Restrictions Designated by the Board

The following summarizes the Oregon Wildlife Foundation's net assets without donor restrictions as of December 31, 2020:

| | |
|---|------------|
| <i>Designated by the Board of Directors for the following purposes:</i> | |
| Projects | \$ 134,468 |
| Project reserves | 284,801 |
| Operations endowment (note 12) | 210,285 |
| | <hr/> |
| | \$ 629,554 |

11. Net Assets with Donor Restrictions

The following summarizes the Oregon Wildlife Foundation's net assets with donor-imposed restrictions, which represent contributions, grants, and other unexpended revenues and gains as of December 31, 2020:

| | |
|---|-----------|
| <i>Expendable net assets restricted for the following purposes:</i> | |
| Eagle Creek Weir Removal | \$ 72,792 |
| Deschutes River | 63,543 |
| Brown Folks Fishing ¹ | 32,051 |
| Oregon Conservation Recreation Fund | 30,067 |
| Gilchrist Wildlife Undercrossing | 30,043 |
| Pacific Joint Bird Venture ¹ | 13,285 |
| Clackamas North Fork | 11,784 |
| Pacific Seafood Environmental Enhancement Fund | 8,606 |
| Sturgeon Lake | 6,886 |
| Linton Frog Project ¹ | 4,962 |
| Friends of Fanno Creek Headwater ¹ | 4,842 |
| TLP Media ¹ | 4,778 |
| Other | 16,929 |
| | <hr/> |
| | 300,568 |

Continued

| | |
|---|---------|
| <i>Expendable net assets unrestricted as to purpose, but restricted as to time:</i> | |
| Pledges to benefit the Foundation's general operations in future periods | 2,547 |
| | 303,115 |

| | |
|--|--------------|
| <i>Endowments:</i> | |
| Bernice Fisk Endowment ² | 407,924 |
| Robert D. and Beulah Drake Endowment ³ | 3,667,885 |
| Operations Endowment ³ | 187,688 |
| | 4,263,497 |
| Total endowment | 4,263,497 |
| Total net assets with donor restrictions | \$ 4,566,612 |

¹ Fiscal sponsorships.

² Income is restricted for the restoration and enhancement of wildlife in the Deschutes River watershed.

³ Endowment is without purpose restrictions established by donors.

12. Endowment

The Foundation's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowment. As required by generally accepted accounting principles, net assets associated with endowment, including funds designated by the Board of Directors to function as endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

The following summarizes the Foundation's endowment-related activities for the year ended December 31, 2020:

| | With donor restrictions | | | Without donor restrictions | Total endow- ment |
|---|------------------------------------|------------------------|-----------|----------------------------------|-------------------------|
| | Accumulated endowment return | Endowment principal | Total | | |
| Endowment net assets at beginning of year | \$ 1,289,060 | 2,703,504 | 3,992,564 | 130,013 | 4,122,577 |
| Transfer from operating reserves | - | - | - | 121,698 | 121,698 |
| Net change in the beneficial interest in assets held by the Oregon Community Foundation | 287,308 | - | 287,308 | - | 287,308 |
| Net investment return | 87,702 | - | 87,702 | 28,574 | 116,276 |
| Appropriation of endowment assets for expenditure | (104,077) | - | (104,077) | (70,000) ^[A] | (174,077) |
| Endowment net assets at end of year | \$ 1,559,993 | 2,703,504 | 4,263,497 | 210,285 | 4,473,782 |

[A] During the year ended December 31, 2020, the Board approved a \$70,000 distribution to help fund the opening of a second Spruce Gifts and Provisions store in Hood River, Oregon. It is management's intent that proceeds from the store in future periods will be used to replenish the board designated endowment in an amount equivalent to the funds distributed.

Interpretation of Relevant Law – The Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) governs Oregon charitable institutions with respect to the management, investment and expenditure of donor-restricted endowment funds.

The Foundation’s Board of Directors has interpreted Oregon’s adoption of UPMIFA as requiring the Foundation to adopt investment and spending policies that preserve the fair value of the original gift as of the date of gift, absent explicit donor stipulations to the contrary. Although the Foundation has a long-term fiduciary duty to the donor (and to others) for a fund of perpetual duration, the preservation of the endowment’s purchasing power is only one of several factors that are considered in managing and investing these funds. Furthermore, in accordance with UPMIFA, a portion of the endowment’s original gift may be appropriated for expenditure in support of the restricted purposes of the endowment if this is consistent with a spending policy that otherwise satisfies the requisite standard of prudence under UPMIFA.

As a result of this interpretation, the Foundation classifies as endowment principal (1) the original value of gifts donated to the donor-restricted endowment, (2) subsequent gifts to the endowment, and (3) accumulations to the endowment made pursuant to the direction of the applicable donor gift instrument.

Net earnings (realized and unrealized) on the investment of endowment assets are classified as accumulated endowment return until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA and until expended in a manner consistent with the purpose or time restrictions, if any, imposed by the donor. Any investment return classified as endowment principal represents only those amounts required to be retained permanently as a result of explicit donor stipulations.

In the absence of donor stipulations or law to the contrary, losses or appropriations of a donor-restricted endowment reduce accumulated endowment return to the extent that donor-imposed restrictions on net appreciation of the fund have not been satisfied before the loss or appropriation occurs. Any remaining loss or appropriation reduces endowment principal.

Endowments with Deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowments may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In addition, the Foundation’s Board of Directors interprets UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law, and the organization has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater.

Investment and Spending Policies – In accordance with UPMIFA, the Foundation’s Board of Directors has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs and operations supported by its endowment, while also seeking to maintain the long-term purchasing power of the endowment assets. Therefore, the Board of Directors considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the Foundation and the fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Foundation; and
- The investment policies of the Foundation.

The Foundation receives annual distributions of the net investment return earned on these assets (generally 4.45% of the average fair market value of the funds using a trailing 13-quarter average). Actual endowment return earned in excess of distributions under this policy is reinvested as part of the Foundation's endowment management and is reported as a non-operating item in the accompanying consolidated statement of activities. For years when actual endowment return is less than distributions under the policy, the short-fall is covered by realized and unrealized returns from prior years. If cumulative endowment return is exhausted, any remaining loss or appropriation reduces endowment principal. In years when the overall endowment is underwater, the Board may permit continued spending from principal only in accordance with its policies for spending from underwater endowments. See *Endowments with Deficiencies*.

During the year ended December 31, 2020, the Board appropriation of donor-restricted endowment assets totaled \$104,077.

13. Net Assets Released from Restrictions

During the year ended December 31, 2020, the Foundation incurred various expenses in satisfaction of the restricted purposes specified by donors, or satisfied the restriction by the occurrence of other events. Accordingly, during the year ended December 31, 2020, corresponding net asset reclassifications have been recorded in the accompanying consolidated statement of activities, totaling \$902,874.

14. Payroll Protection Program Grant

On May 1, 2020, the Foundation obtained an unsecured loan from a commercial bank in the amount of \$91,643, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The bank's loan is guaranteed by the U.S. Small Business Administration ("SBA"), and is designed to provide a direct incentive for small businesses and nonprofits to keep their employees on payroll during the COVID-19 pandemic. Qualifying businesses could spend loan proceeds to cover payroll, mortgage interest, rent, and utilities. PPP borrowers can qualify to have the loans forgiven if the proceeds are used to pay certain eligible costs.

In accordance with the provisions of the PPP and SBA's promise of forgiveness, the Foundation used the loan for qualifying expenses. Accordingly, the Foundation has accounted for the loan as a conditional contribution under ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*. During the year ended December 31, 2020, the loan was forgiven by the lender. The organization has recognized the full amount of the forgiven loan as contributed revenue, totaling \$91,643.

15. Expenses

The costs of providing the various programs and activities of the Foundation have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Depreciation and amortization of capital assets is allocated to operating programs and supporting activities based on benefit estimates prepared by management.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the organization, and therefore require allocation on a reasonable basis that is consistently applied. Those expenses include salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other expenses, which are allocated on the basis of estimates of time and effort.

16. Contingencies

Certain amounts received or receivable under the Foundation's agreements with the Oregon Department of Fish and Wildlife and other governmental agencies are subject to audit and adjustment by those granting agencies and others. Any expenditure disallowed as a result of such audits would become a liability of the organization's general operating funds. In the opinion of the Foundation's management, any adjustments that might result from such audits would not be material to the organization's overall financial statements.

17. Operating Lease

The Foundation leases its administrative office and retail space under agreements that expire in April of 2023 and March of 2022, respectively. The Foundation has the option to renew each lease at the end of the term.

At December 31, 2020, the approximate minimum rental commitment under this lease is as follows:

| <i>Years ending December 31,</i> | |
|----------------------------------|-----------|
| 2021 | \$ 25,943 |
| 2022 | 17,834 |
| 2023 | 5,812 |
| | \$ 49,589 |

Rent expense on the above lease totaled \$18,415 for the year ended December 31, 2020.

18. Retirement Plan

The organization has adopted a SIMPLE IRA plan. All full-time employees are eligible to make voluntary contributions to the plan 90 days after they are hired on a pre-tax basis up to the limits allowed by law. Employee contributions are matched at 100% for eligible participant deferrals up to 3.0% of the participant's annual compensation. Both employee and employer contributions are fully vested at all times. Contributions by the organization to the plan totaled \$9,998 for the year ended December 31, 2020.

19. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure within one year of the consolidated statement of financial position date comprise the following at December 31, 2020:

| | |
|--|--------------|
| <i>Total financial assets available to fund general operations:</i> | |
| Cash and cash equivalents | \$ 1,482,579 |
| Contribution and grants receivable | 5,179 |
| Investments | 1,590,631 |
| Beneficial interest in assets held by the Oregon Community Foundation | 2,883,151 |
| | 5,961,540 |
| <i>Less financial assets not available within the year ending December 31, 2021:</i> | |
| Financial assets restricted by donors for endowment | (4,263,497) |
| Financial assets designated by the Board for quasi-endowment | (210,285) |
| Less funds held on behalf of others | (84,611) |
| | (4,558,393) |
| <i>Plus other funds subject to appropriation for expenditure:</i> | |
| Fiscal year 2021 endowment appropriations for operations | 156,887 |
| | \$ 1,560,034 |

As part of its liquidity management, the Oregon Wildlife Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

20. Fair Value Measurements

Included in the accompanying financial statements are certain financial instruments carried at fair value.

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale; similarly, the fair value of a liability is the amount at which the liability could be transferred in a current transaction between willing parties. Fair values are based on quoted market prices when available.

When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality.

All financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined under generally accepted accounting principles. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities and the lowest ranking to fair values determined using methodologies and models with unobservable inputs, as follows:

- *Level 1* – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.
- *Level 2* – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.

- *Level 3* – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect Vanguard's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

At December 31, 2020, the Foundation's beneficial interest in assets held by the OCF is reported at fair value on a recurring basis. These assets are measured at fair value using information received from the OCF (i.e., Level 3). See note 5 for a summary of the change in these assets during the year ended December 31, 2020.

In addition, the Foundation held \$1,570,132 in mutual funds held at fair market value (i.e., Level 1). See note 4 for a summary of the change in these assets during the year ended December 31, 2020.

21. Statement of Cash Flows Reconciliation

The following presents a reconciliation of the decrease in net assets (as reported on the consolidated statement of activities) to net cash provided by operating activities (as reported on the consolidated statement of cash flows):

| | |
|--|-------------|
| Decrease in net assets | \$ (27,505) |
| <hr/> | |
| <i>Adjustments to reconcile decrease in net assets to net cash provided by operating activities:</i> | |
| Depreciation | 14,103 |
| In-kind donation of inventory | (6,334) |
| Distribution of investment return earned on assets held by the Oregon Community Foundation (<i>note 6</i>) | 104,077 |
| Net change in beneficial interest in assets held by the Oregon Community Foundation (<i>note 6</i>) | (287,308) |
| Net appreciation in the fair market value of investments | (88,381) |
| Loss on bequest receivable | 129,296 |
| <i>Net changes in:</i> | |
| Grants and contributions receivable | 97,200 |
| Inventories | (54,609) |
| Prepaid expenses and other assets | (8,902) |
| Accounts payable and accrued expenses | (6,970) |
| Grant refunds payable | 177,376 |
| Accrued payroll and related expenses | 5,048 |
| Grants payable | (19,533) |
| Conditional grants | 213,769 |
| Refundable event sponsorships | (15,500) |
| Refundable advances | 27,331 |
| Funds held on behalf of others | (41,415) |
| <hr/> | |
| Total adjustments | 239,248 |
| <hr/> | |
| Net cash provided by operating activities | \$ 211,743 |
| <hr/> | |

22. Coronavirus Pandemic

The U.S. has renewed its declaration of a public health state of emergency in response to the COVID-19 pandemic and various restrictions remain on the use of public and private facilities in the jurisdictions in which Oregon Wildlife Foundation operates.

It is possible that the effects of these events could continue for some time, including continuing disruptions to or restrictions on our employees' ability to work and on the ability of our patrons and other constituents to both fully participate in our programs and continue their current level of financial support to the organization. At the present time, the ultimate future effects of these issues are unknown, however, we are optimistic that, through our efforts to engage the public through social media, online events, and retail establishments we will continue to be a part of our members and patrons lives.

23. Reclassification of 2019 Comparative Totals

Certain 2019 amounts presented herein have been reclassified to conform to the 2020 presentation.

■

OREGON WILDLIFE FOUNDATION
GOVERNING BOARD AND MANAGEMENT
AS OF DECEMBER 31, 2020

Officers

Brad Staples
President

Ryland Moore
Past President

Campbell Kidd
Vice President

Pat Richardson
Secretary

EK MacColl
Treasurer

Board of Directors

Karin Barber

Shannon Berg

Meg Braestrup

Blair Bubenik

Carl Burnham

Dave Cummings

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Strawn Dixon

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Chip Graeper

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Doug Nelson

Gary Papé

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Bill Shake

Morgan Smith

Lori Steele

Uriah Stockdale

Rob Stuart

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Management and Staff

Tim Greseth
Executive Director

Nicole Nordin
*Operations and Accounting
Manager*

Kalei Augustine
Development Manager

Sarah Armstrong
Marketing Manager

Angelique Williams
*Manager, Spruce Gifts and
Provisions*

OREGON WILDLIFE FOUNDATION
INQUIRIES AND OTHER INFORMATION

Administrative Offices
OREGON WILDLIFE FOUNDATION
901 S.E. Oak Street, Suite 103
Portland, Oregon 97214

(503) 255-6059

Spruce Gifts and Provisions — Cascade Locks
70741 N.E. Sturgeon Lane
Cascade Locks, Oregon 97014

(541) 374-8447

Spruce Gifts and Provisions can be found at the entrance to the Oregon Department of Fish and Wildlife's Bonneville Fish Hatchery. From I-84, traveling east or west, take highway Exit #40 to Bonneville Fish Hatchery, then turn left at the "Y" just inside the gates.

Spruce Gifts and Provisions — Hood River
204 Oak Street
Hood River, Oregon 97031

(541) 436-4772

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info@myowf.org

