

**FRIENDS OF THE COLUMBIA GORGE, INC.  
& SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**Year Ended June 30, 2021**



**KERN ▲ THOMPSON**  
CERTIFIED PUBLIC ACCOUNTANTS

**FRIENDS OF THE COLUMBIA GORGE, INC.  
& SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**Year Ended June 30, 2021**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Friends of the Columbia Gorge, Inc.  
and Subsidiary  
Portland, Oregon

We have audited the accompanying consolidated financial statements of Friends of the Columbia Gorge, Inc. and Subsidiary (a non-profit organization), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related consolidated notes to the 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

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

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

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

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Friends of the Columbia Gorge, Inc. and Subsidiary as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors  
Friends of the Columbia Gorge, Inc. and Subsidiary

**Other Matters**

***Report on Summarized Comparative Information***

We have previously audited Friends of the Columbia Gorge, Inc. and Subsidiary's 2020 consolidated financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated October 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Kern & Thompson, LLC*

Portland, Oregon  
September 21, 2021

**FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**June 30, 2021**

(With Comparative Totals as of June 30, 2020)

**ASSETS**

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 1,342,507	\$ 1,925,831
Investment interest receivable	34,051	48,288
Investments	10,742,711	11,052,229
Grants and bequests receivable	76,363	82,539
Prepaid expenses	63,369	66,413
Property and equipment, net of accumulated depreciation of \$257,279 and \$197,288, respectively	914,158	134,148
Land and easements	9,527,744	7,241,743
<b>Total assets</b>	<b>\$ 22,700,903</b>	<b>\$ 20,551,191</b>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 72,808	\$ 36,853
Accrued vacation and benefits	61,815	54,755
Refundable advance (Note D)	15,000	297,200
<b>Total liabilities</b>	<b>149,623</b>	<b>388,808</b>
<b>Net assets</b>		
Without donor restrictions		
Available for operations	1,477,275	691,556
Net investment in property and equipment	914,158	134,148
Net investment in land and easements	9,527,744	7,241,743
Board designated - land stewardship and acquisition	417,072	2,108,110
Board designated - legal defense fund	70,000	70,000
Board designated - endowment	3,879,449	2,531,443
	16,285,698	12,777,000
With donor restrictions	6,265,582	7,385,383
<b>Total net assets</b>	<b>22,551,280</b>	<b>20,162,383</b>
<b>Total liabilities and net assets</b>	<b>\$ 22,700,903</b>	<b>\$ 20,551,191</b>

See notes to consolidated financial statements.

**FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2021**

(With Comparative Totals for the Year Ended June 30, 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
			<u>2021</u>	<u>2020</u>
<b>Public support and other revenue</b>				
Foundations	\$ 56,049	\$ 118,436	\$ 174,485	\$ 390,204
Contributions	154,208	452,528	606,736	287,577
Bequests	321,299	-	321,299	179,577
Memberships	1,343,862	406,662	1,750,524	1,296,112
Mitigation and legal cost recovery	20,131	-	20,131	-
Interest income	114,308	89,425	203,733	255,278
Other	333,386	-	333,386	266,760
	<u>2,343,243</u>	<u>1,067,051</u>	<u>3,410,294</u>	<u>2,675,508</u>
Net assets released from restrictions				
Satisfaction of purpose	<u>3,231,481</u>	<u>(3,231,481)</u>	<u>-</u>	<u>-</u>
<b>Total public support and other revenue</b>	<b><u>5,574,724</u></b>	<b><u>(2,164,430)</u></b>	<b><u>3,410,294</u></b>	<b><u>2,675,508</u></b>
<b>Expenses</b>				
Program services				
Conservation	363,317	-	363,317	365,990
Gorge Towns to Trails	167,052	-	167,052	183,787
Land Trust	761,392	-	761,392	1,190,383
Legal	278,392	-	278,392	215,417
Lobbying	14,206	-	14,206	23,274
Public engagement	384,720	-	384,720	394,449
Member service	85,572	-	85,572	82,329
Public land stewardship	93,727	-	93,727	92,463
Total program services	<u>2,148,378</u>	<u>-</u>	<u>2,148,378</u>	<u>2,548,092</u>
Supporting services				
Management and general	271,594	-	271,594	263,044
Fund-raising	395,928	-	395,928	379,952
<b>Total expenses</b>	<b><u>2,815,900</u></b>	<b><u>-</u></b>	<b><u>2,815,900</u></b>	<b><u>3,191,088</u></b>
Increase (decrease) in net assets before change in investments	2,758,824	(2,164,430)	594,394	(515,580)
Net realized and unrealized appreciation (depreciation) of investments	<u>749,874</u>	<u>1,044,629</u>	<u>1,794,503</u>	<u>197,551</u>
<b>Change in net assets</b>	<b><u>3,508,698</u></b>	<b><u>(1,119,801)</u></b>	<b><u>2,388,897</u></b>	<b><u>(318,029)</u></b>
Net assets, beginning of year	<u>12,777,000</u>	<u>7,385,383</u>	<u>20,162,383</u>	<u>20,480,412</u>
<b>Net assets, end of year</b>	<b><u>\$ 16,285,698</u></b>	<b><u>\$ 6,265,582</u></b>	<b><u>\$ 22,551,280</u></b>	<b><u>\$ 20,162,383</u></b>

See notes to consolidated financial statements.

**FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2021**

(With Comparative Totals for the Year Ended June 30, 2020)

	PROGRAM SERVICES									SUPPORTING SERVICES		Total	
	Conser- vation	Gorge Townns to Trails	Land Trust	Legal	Lobbying	Public Engagement	Member Services	Public Land Stewardship	Program Total	Manage- ment and General	Fund- Raising	2021	2020
Salaries	\$ 221,089	90,992	193,690	109,085	9,324	218,535	53,668	54,464	\$ 950,847	\$ 105,458	\$ 195,226	\$ 1,251,531	\$ 1,189,456
Payroll taxes	16,306	6,693	14,240	8,037	687	16,086	3,957	3,999	70,005	7,517	14,232	91,754	90,316
Benefits	49,638	20,181	42,970	24,195	2,068	48,532	11,986	12,086	211,656	23,502	43,172	278,330	274,035
Rent	17,558	9,182	17,615	8,149	697	16,252	4,007	6,425	79,885	7,874	14,411	102,170	99,224
Printing	4,546	1,497	6,396	1,676	143	10,675	819	919	26,671	2,250	32,982	61,903	45,046
Publication costs	7,118	3,044	6,482	3,647	312	7,297	1,757	1,825	31,482	3,471	6,285	41,238	42,371
Prospect costs	-	-	-	-	-	-	-	-	-	-	-	-	3,675
Postage	966	388	861	476	40	1,053	249	242	4,275	558	12,950	17,783	15,209
Office supplies	177	69	1,410	82	7	391	39	81	2,256	152	292	2,700	3,818
Telephone	3,185	889	2,979	1,604	62	2,465	358	918	12,460	896	1,704	15,060	14,408
Database and website	16,928	3,031	10,698	4,176	238	26,648	1,468	2,883	66,070	7,879	19,395	93,344	122,329
Training	172	52	1,647	203	5	1,193	31	278	3,581	892	434	4,907	3,170
Equipment maintenance	194	131	906	125	6	194	36	502	2,094	101	242	2,437	5,141
Dues and subscriptions	1,918	605	7,640	2,433	3	4,511	18	17	17,145	636	1,317	19,098	18,913
Insurance	939	1,621	5,091	465	40	913	229	850	10,148	3,809	1,213	15,170	16,993
Event costs	305	103	-	-	-	667	-	-	1,075	73	2,059	3,207	39,887
Professional and contract services	14,697	2,853	11,679	112,410	443	13,975	4,951	1,717	162,725	84,709	32,326	279,760	226,329
Travel	675	866	5,659	103	1	2,976	277	3,935	14,492	1,223	3,587	19,302	40,090
Merchandise expense	-	-	1,046	-	-	3,929	959	-	5,934	770	11,545	18,249	2,764
Land acquisition expense	-	5,943	68,996	-	-	-	-	-	74,939	-	-	74,939	128,112
Grant	-	-	249,000	-	-	-	-	-	249,000	-	-	249,000	649,520
Land maintenance	-	15,563	63,205	-	-	-	-	2,253	81,021	-	-	81,021	104,900
Miscellaneous expense	1,001	3,349	1,147	494	42	6,376	243	333	12,985	18,977	1,046	33,008	26,663
Depreciation	5,905	-	48,035	1,032	88	2,052	520	-	57,632	847	1,510	59,989	28,719
	<u>\$ 363,317</u>	<u>\$ 167,052</u>	<u>\$ 761,392</u>	<u>\$ 278,392</u>	<u>\$ 14,206</u>	<u>\$ 384,720</u>	<u>\$ 85,572</u>	<u>\$ 93,727</u>	<u>\$ 2,148,378</u>	<u>\$ 271,594</u>	<u>\$ 395,928</u>	<u>\$ 2,815,900</u>	<u>\$ 3,191,088</u>

See notes to consolidated financial statements.

**FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2021**

(With Comparative Totals for the Year Ended June 30, 2020)

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 2,388,897	\$ (318,029)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	48,035	28,719
Net realized and unrealized (appreciation) depreciation of investments	(1,789,757)	(197,551)
Loss (gain) on land disposition	249,000	649,520
Changes in assets and liabilities:		
Investment interest receivable	14,237	(5,118)
Grants and bequests receivable	6,176	10,258
Prepaid expenses	3,044	(3,554)
Accounts payable	35,955	(9,634)
Accrued vacation and benefits	7,060	16,370
Other liability	-	(25,384)
Refundable advance - PPP loan	(297,200)	297,200
Refundable advance - other	15,000	-
<b>Net cash provided by (used in) operating activities</b>	<b>692,402</b>	<b>442,797</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	6,383,542	4,830,674
Purchase of investments	(4,284,268)	(5,184,419)
Sale of land in trust	-	1,930,001
Purchase of land in trust	(2,535,000)	(313,500)
Purchase of buildings and improvements	(840,000)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(1,275,726)</b>	<b>1,262,756</b>
<b>Cash flows from financing activities:</b>		
Payments on long term debt	-	(720,000)
<b>Net cash provided by (used in) financing activities</b>	<b>-</b>	<b>(720,000)</b>
<b>Net change in cash and cash equivalents</b>	<b>(583,324)</b>	<b>985,553</b>
Cash and cash equivalents, beginning of year	1,925,831	940,278
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,342,507</b>	<b>\$ 1,925,831</b>

See notes to consolidated financial statements.



## FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

#### NOTE A – DESCRIPTION OF ORGANIZATION

Friends of the Columbia Gorge, Inc. and Subsidiary (Friends) was incorporated in Oregon in 1981 as a private not-for-profit entity. Its purpose is to protect the scenic, natural, cultural, historic, and recreational resources of the Columbia River Gorge (Gorge), encourage compatible economic development within the urban areas along the Gorge and educate the public to obtain effective implementation of the National Scenic Area Act. In February of 2007, Friends funded a wholly-owned subsidiary, The Friends of the Columbia Gorge Land Trust (collectively, the Organization). The Organization conducts the following programs:

**Conservation** – Friends works to protect the scenic and natural resources of the Gorge by protecting the air quality, limiting sprawl, and protecting forest and farmlands. An essential element to Friends success has been the ability to effectively build a diverse network of community partners and mobilize thousands of dedicated Friends activists and allies across the region.

**Gorge Towns to Trails** – Friends works to provide public hiking trails and strengthen Gorge community connections through the creation of a new 200-mile loop trail network that enhances Gorge recreation and local economic opportunities.

**Land Trust** – Friends of the Columbia Gorge Land Trust works to preserve scenic Gorge landscapes, safeguard sensitive habitats, steward vital Gorge lands, and strengthen Gorge community connections.

**Legal** – When Gorge resources are threatened by unlawful decisions and violations, Friends exercises its right to implement sophisticated legal strategies and cutting-edge public education tools to protect Gorge resources and keep watch on reckless land development.

**Lobbying** – Friends conducts lobby activities to support laws that protect the Gorge's scenic, natural, cultural, and recreational resources.

**Public Engagement** – A large cross section of public support is critical to preserve the Columbia Gorge for future generations. To meet this challenge, Friends seeks to strengthen community support for key conservation initiatives, expose local youth to the Gorge's wonders, and illustrate the Gorge's significance as an icon of the Pacific NW and national treasure.

**Public Land Stewardship** – A program launched after the Eagle Creek Fire to assist community partners, educate the public, and advocate for the policies and programs needed to rebuild trails and aid the forest's natural regeneration. Friends has helped steward Gorge lands and have organized hundreds of work parties across the Gorge to remove invasive species and replant native vegetation in concert with state and federal land managers.

Funds are provided from memberships, contributions and grants.

#### Basis of Consolidation

The consolidated financial statements include those of Friends and Friends of the Columbia Gorge Land Trust (the Land Trust). Both organizations are under common control since board members of Friends comprise a majority of the Board of Trustees of the Land Trust. There is also an element of economic interest since the Land Trust holds significant resources that must be used only for purposes of Friends. In accordance with generally accepted accounting principles, consolidation is required. All material inter-organizational transactions have been eliminated.

**FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2021

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Organization prepares its financial statements on the accrual basis of accounting, which recognizes revenue when earned and expenses when incurred. Transactions are classified according to the existence or absence of donor-imposed restrictions.

**Financial Statement Presentation**

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

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

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

**Cash and Cash Equivalents**

The Organization classifies as cash and cash equivalents all checking, savings, and money market accounts and all highly liquid investments maturing within 90 days of purchase.

**Contributions (Including Memberships)**

Contributions and memberships are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met.

**Estimates**

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

**FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2021**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Property and equipment over \$5,000 are capitalized, recorded at cost and depreciated using the straight-line method over estimated useful lives of 3-25 years. Donations of equipment and furniture are recorded as revenues at their estimated fair market values on the date of receipt. Maintenance and repairs are expensed. Betterments and renewals are capitalized as incurred.

**Concentration of Credit Risk**

Financial instruments that potentially subject the Organization to credit risk include cash and investments in marketable securities. Cash deposited with financial institutions regularly exceeds the related federal deposit insurance limits. To mitigate this risk, management has placed excess cash in U.S. Treasury-backed money market accounts. Management periodically evaluates the relative credit standings of these financial institutions. Management also periodically evaluates the quality of the investments in marketable securities with other institutions, which are partially covered by federal insurance. Future changes in market prices may make such investments less valuable. Whether or not the effect of market fluctuations will result in permanent or temporary losses cannot be reasonably estimated.

**Functional Allocation of Expenses**

The cost of providing the various programs and other activities has been summarized in the Statement of Activities. Certain costs, including salaries, rent, printing and depreciation, have been allocated among the programs and supporting services benefited based on estimates of time and effort.

**Investments and Fair Value Measurements**

Investments are the only assets measured at fair value on a recurring basis. Valuation techniques used to measure fair value are prioritized into the following hierarchy:

**Level 1** – Quoted prices in active markets for identical assets.

**Level 2** – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data by correlation such as appraisals or other means such as calculations based on contractual rates and published tables.

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

Investments in bonds, equities, and mutual funds are carried at fair value based on quoted prices in active markets in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

**FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2021**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Land Trust Assets**

Assets held in the Land Trust consist of real property located in the Gorge acquired or donated to the Organization. Acquisitions of real property are carried at cost; donations are carried at fair value at the date of donation based on highest and best use, or discounted fair value if the highest and best use of the property conflicts with the Organization's mission.

**Endowment Net Assets**

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) was enacted by the state of Oregon. UPMIFA eliminates the historic dollar value threshold, an amount below which an organization could not spend from an endowment fund and establishes a set of prudent management and investment standards for boards to follow when managing endowment funds. Under UPMIFA, the Foundation may spend so much of an endowment fund as it considers prudent, regardless of whether the fund is below its historic dollar value. A donor's intent to maintain an endowment in perpetuity must still be considered and the fund managed accordingly. However, the Foundation retains variance power over its endowment assets.

Additionally, the Board of Directors has designated a portion of its net assets without restrictions for operations and special projects. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed stipulations.

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 various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

**Investment and Spending Policies**

The goal of the Organization's investment program is to achieve a total rate of return that will allow it to respond to today's needs and the long-term growth necessary to respond to future needs. The investment objective is to retain (at a minimum) and when possible, increase the purchasing power of the funds, while at the same time producing a reasonable return for distribution to meet current needs. 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). Assets are invested in a mixture of equity funds, fixed income funds, and cash.

**Income Taxes**

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

**FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2021

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Prior Year Summarized Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2020, from which the summarized information was derived.

**NOTE C – INVESTMENTS**

Investments are measured at fair value in the statement of financial position based on quoted market price. Net realized and unrealized gains and losses are included in the statement of activities. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized. Investments consist of the following at June 30, 2021:

	Level 1	Level 2	Level 3	Total
Bond and bond fund	\$ -	\$ 4,245,716	\$ -	\$ 4,245,716
Equities	4,277,675	-	-	4,277,675
Equity funds	2,178,816	-	-	2,178,816
Oregon Community Foundation	-	-	40,504	40,504
	<u>\$ 6,456,491</u>	<u>\$ 4,245,716</u>	<u>\$ 40,504</u>	<u>\$ 10,742,711</u>

All investments have been valued using a market approach. There were no changes in the valuation techniques during the year.

Changes in assets measured at Level 3 were as follows:

Balance, June 30, 2020	\$ 28,586
Gains included in the statement of activities	<u>11,918</u>
Balance, June 30, 2021	<u>\$ 40,504</u>

**FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2021**

**NOTE D – REFUNDABLE ADVANCE**

The Organization has received grant advances of \$15,000 that have not been recognized at June 30, 2021 because performance requirements have not yet been satisfied. No such advances were received in the prior year.

**NOTE E – ENDOWMENT NET ASSETS**

The Board of Directors also designated a portion of its unrestricted net assets as a quasi-endowment.

Changes in endowment net assets for the year ended June 30, 2021 were as follows:

	Designated Without Donor Restrictions	With Donor Restrictions		Total Net Endowment Assets
		Accumulated Gains	Corpus	
Endowment net assets, beginning of year	\$ 2,531,443	\$ 349,916	\$ 3,456,992	\$ 6,338,351
Contributions	504,769	-	20,000	524,769
Appropriations	48,990	(48,990)	-	-
Dividends	70,409	89,425	-	159,834
Investment gains (losses)	780,227	1,044,629	-	1,824,856
Expenditures	<u>(56,389)</u>	<u>-</u>	<u>-</u>	<u>(56,389)</u>
Endowment net assets, end of year	<u>\$ 3,879,449</u>	<u>\$ 1,434,980</u>	<u>\$ 3,476,992</u>	<u>\$ 8,791,421</u>

**NOTE F – DESIGNATED NET ASSETS**

The Board designated \$79,000 for a legal defense fund program and \$417,072 for land stewardship and acquisition. These Board-designated funds are not classified as endowment funds.

**FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2021**

**NOTE G – RESTRICTIONS ON NET ASSETS**

As of June 30, 2021, the Organization had restricted net assets as follows:

Subject to purpose restrictions:	
Clausen Explore the Gorge	\$ 34,564
Meyer DEI	3,000
Stewardship fund (for Nancy Russell donated properties)	148,565
TPL Stewardship	92,873
Plan Review	14,978
Logging	19,041
Hiking	4,756
Winthrop/Wahoo - 7th Grade	7,951
Cape Horn Fund/Collins Purchase	194,259
Land Acquisition Fund	330,024
GT2T Mt Ulka	126,768
Accessibility project	319,381
Stewardship Fund	10,885
Yarg Ace staffing	7,420
USFW Turtle grant	28,904
Ace grant Staffing	10,241
	<u>1,353,610</u>
Subject to time restrictions (endowment earnings)	<u>1,434,980</u>
Not subject to appropriation or expenditure:	
Nancy Russell Endowment	187,242
Vic Clausen Endowment	63,750
Oregon Community Foundation	25,000
Wilson Endowment	14,000
Conservation Director Endowment	3,000,000
Holman Endowment	100,000
Winthrop Fund	82,000
Abramovitz Endowment	5,000
	<u>3,476,992</u>
Total net assets with donor restrictions	<u><u>\$ 6,265,582</u></u>

**FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2021**

**NOTE H – LIQUIDITY**

The following chart represents the Organization's financial assets available to meet cash needs for general expenditures within one year of June 30, 2021:

Financial assets at year-end		
Cash and cash equivalents	\$	1,342,507
Grants and bequests receivable		76,363
Investment interest receivable		34,051
Investments		10,742,711
Total financial assets		<u>12,195,632</u>
Less those unavailable for general expenditure within one year, due to:		
Contractual or donor-imposed restrictions:		
Subject to purpose restrictions		1,353,610
Subject to time restrictions		1,434,980
Not subject to appropriation		3,476,992
		<u>6,265,582</u>
Board designations:		
Board-designated endowment fund		<u>3,879,449</u>
Total unavailable financial assets		<u>10,145,031</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>2,050,601</u></u>

The Organization's endowment funds consist of donor-restricted endowments and a board-designated endowment. The Organization's spending policy is to appropriate investment earnings from the previous year into the next year. Unappropriated earnings of \$1,434,980 from the endowment funds will be available over the next 12 months.

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

**NOTE I – LEASES**

As of June 30, 2021, the Organization was subject to an operating lease for office space that expires in October of 2021, the remaining payments total \$30,738. Subsequent to year end, the Organization executed a new lease for office space, with base payments beginning at \$5,222 per month. Office rent expense for the year ended June 30, 2021 amounted to \$102,170.



**FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2021**

**NOTE J – RETIREMENT PLAN**

The Organization has a SIMPLE Individual Retirement Plan available for all permanent employees in which the Organization contributes up to a 3% match of employee contributions. The retirement expense for the year ended June 30, 2021 was \$36,336.

**NOTE K – UNCERTAINTY**

Beginning in March of 2020, an outbreak of a coronavirus necessitated that most employees work from home. The organization worked to provide a safe environment for those needing to work in the office. These provisions included social distancing, mask wearing, and additional sanitation/cleaning guidelines. The effects of these events may continue for some time, including disruptions to or restrictions on employees' ability to work and on the ability of funders and members to fully participate in 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.

**NOTE L – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through September 21, 2021, which is the date the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**

**FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

June 30, 2021

**ASSETS**

	<b>Friends</b>	<b>Land Trust</b>	<b>Consolidated</b>
Cash and cash equivalents	\$ 735,969	\$ 606,538	\$ 1,342,507
Investment interest receivable	21,554	12,497	34,051
Investments	8,182,292	2,560,419	10,742,711
Grants and bequests receivable	30,750	45,613	76,363
Prepaid expenses	44,928	18,441	63,369
Property and equipment, net of accumulated depreciation of \$147,321 Friends and \$109,958 Land Trust	-	914,158	914,158
Land and easements	-	9,527,744	9,527,744
<b>Total assets</b>	<b>\$ 9,015,493</b>	<b>\$ 13,685,410</b>	<b>\$ 22,700,903</b>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 63,088	\$ 9,720	\$ 72,808
Accrued vacation and benefits	61,815	-	61,815
Refundable advance	15,000	-	15,000
<b>Total liabilities</b>	<b>139,903</b>	<b>9,720</b>	<b>149,623</b>

**Net assets**

Without donor restrictions			
Available for operations	7,434	1,469,841	1,477,275
Net investment in buildings and improvements	-	914,158	914,158
Net investment in land and easements	-	9,527,744	9,527,744
Board designated - projects	-	417,072	417,072
Board designated - legal defense fund	-	70,000	70,000
Board designated - endowment	3,879,449	-	3,879,449
	<u>3,886,883</u>	<u>12,398,815</u>	<u>16,285,698</u>
With donor restrictions	4,988,707	1,276,875	6,265,582
<b>Total net assets</b>	<b>8,875,590</b>	<b>13,675,690</b>	<b>22,551,280</b>
<b>Total liabilities and net assets</b>	<b>\$ 9,015,493</b>	<b>\$ 13,685,410</b>	<b>\$ 22,700,903</b>

See notes to consolidated financial statements and independent auditors' report.

**FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY**

**CONSOLIDATING STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2021**

	<b>Friends</b>	<b>Land Trust</b>	<b>Consolidated</b>
<b>Public support and other revenue</b>			
Foundations	\$ 147,005	\$ 27,480	\$ 174,485
Contributions	175,350	431,386	606,736
Bequests	321,299	-	321,299
Memberships	893,615	856,909	1,750,524
Mitigation and legal cost recovery	20,131	-	20,131
Interest income	162,271	41,462	203,733
Other	299,572	33,814	333,386
<b>Total public support and other revenue</b>	<b>2,019,243</b>	<b>1,391,051</b>	<b>3,410,294</b>
<b>Expenses</b>			
Program services			
Conservation	363,317	-	363,317
Gorge Towns to Trails	-	167,052	167,052
Land Trust	-	761,392	761,392
Legal	278,392	-	278,392
Lobbying	14,206	-	14,206
Public engagement	384,720	-	384,720
Member service	85,572	-	85,572
Public land stewardship	-	93,727	93,727
Total program services	1,126,207	1,022,171	2,148,378
Supporting services			
Management and general	233,433	38,161	271,594
Fundraising	337,048	58,880	395,928
<b>Total expenses</b>	<b>1,696,688</b>	<b>1,119,212</b>	<b>2,815,900</b>
Increase (decrease) in net assets before change in investments	322,555	271,839	594,394
Net realized and unrealized appreciation (depreciation) of investments	1,823,347	(28,844)	1,794,503
<b>Change in net assets</b>	<b>2,145,902</b>	<b>242,995</b>	<b>2,388,897</b>
Net assets, beginning of year	6,729,688	13,432,695	20,162,383
<b>Net assets, end of year</b>	<b>\$ 8,875,590</b>	<b>\$ 13,675,690</b>	<b>\$ 22,551,280</b>

See notes to consolidated financial statements and independent auditors' report.

**FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY**

**CONSOLIDATING STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2021**

	<b>Friends</b>	<b>Land Trust</b>	<b>Consolidated</b>
<b>Cash flows from operating activities:</b>			
Change in net assets	\$ 2,145,902	\$ 242,995	\$ 2,388,897
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Depreciation	-	48,035	48,035
Net realized and unrealized (appreciation) depreciation of investments	(1,818,600)	28,843	(1,789,757)
Loss (gain) on land disposition	-	249,000	249,000
Changes in assets and liabilities:			
Investment interest receivable	(3,955)	18,192	14,237
Grants and bequests receivable	(10,984)	17,160	6,176
Prepaid expenses	1,382	1,662	3,044
Accounts payable	48,782	(12,827)	35,955
Accrued vacation and benefits	7,060	-	7,060
Refundable advance - PPP loan	(297,200)	-	(297,200)
Refundable advance- other	15,000	-	15,000
<b>Net cash provided by (used in) operating activities</b>	<b>99,342</b>	<b>593,060</b>	<b>692,402</b>
<b>Cash flows from investing activities:</b>			
Proceeds from sale of investments	2,477,694	3,905,848	6,383,542
Purchase of investments	(2,971,221)	(1,313,047)	(4,284,268)
Purchase of Buildings and Improvements	-	(840,000)	(840,000)
Purchase of land in trust	-	(2,535,000)	(2,535,000)
<b>Net cash provided by (used in) investing activities</b>	<b>(493,527)</b>	<b>(782,199)</b>	<b>(1,275,726)</b>
<b>Cash flows from financing activities:</b>			
Payments on long term debt	-	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>(394,185)</b>	<b>(189,139)</b>	<b>(583,324)</b>
Cash and cash equivalents, beginning of year	1,130,154	795,677	1,925,831
<b>Cash and cash equivalents, end of year</b>	<b>\$ 735,969</b>	<b>\$ 606,538</b>	<b>\$ 1,342,507</b>

See notes to consolidated financial statements and independent auditors' report.