

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

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

Year Ended June 30, 2024



KERN  THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2024

TABLE OF CONTENTS

| | <u>Page</u> |
|---|--------------------|
| INDEPENDENT AUDITOR'S REPORT | 1-2 |
| CONSOLIDATED FINANCIAL STATEMENTS | |
| Consolidated Statement of Financial Position | 3 |
| Consolidated Statement of Activities | 4 |
| Consolidated Statement of Functional Expenses | 5 |
| Consolidated Statement of Cash Flows | 6 |
| Notes to Consolidated Financial Statements | 7-18 |
| SUPPLEMENTAL INFORMATION | |
| Consolidating Statement of Financial Position | 19 |
| Consolidating Statement of Activities | 20 |
| Consolidating Statement of Cash Flows | 21 |

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Friends of the Columbia Gorge, Inc. & Subsidiary (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of the Columbia Gorge, Inc. & Subsidiary as of June 30, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Friends of the Columbia Gorge, Inc. & Subsidiary's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Friends of the Columbia Gorge, Inc. & Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Friends of the Columbia Gorge, Inc. & Subsidiary's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary 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.

Report on Summarized Comparative Information

We have previously audited Friends of the Columbia Gorge, Inc. & Subsidiary's 2023 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated October 3, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kern & Thompson, LLC

Portland, Oregon
September 10, 2024

FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2024

(With Comparative Totals as of June 30, 2023)

ASSETS

| | 2024 | 2023 |
|--|-----------------------------|-----------------------------|
| Cash and cash equivalents | \$ 1,166,475 | \$ 629,667 |
| Investment interest receivable | 37,946 | 35,691 |
| Investments | 8,787,917 | 9,221,464 |
| Grants and campaign receivable, net | 1,565,902 | 119,920 |
| Prepaid expenses | 126,742 | 161,792 |
| Right to Use Asset (Note I) | 210,274 | 249,121 |
| Property and equipment, net of accumulated depreciation of \$397,159 and \$440,813 respectively | 1,108,552 | 1,087,844 |
| Land and easements | <u>14,299,339</u> | <u>10,239,744</u> |
| Total assets | <u>\$ 27,303,147</u> | <u>\$ 21,745,243</u> |

LIABILITIES AND NET ASSETS

| | | |
|---------------------------------------|-------------------------|-----------------------|
| Accounts payable and accrued expenses | \$ 79,765 | \$ 89,729 |
| Accrued vacation and benefits | 102,732 | 78,607 |
| Refundable advance | 3,585 | - |
| Long term debt (Note F) | 1,766,329 | - |
| Operating lease liability (Note I) | <u>212,398</u> | <u>253,510</u> |
| Total liabilities | <u>2,164,809</u> | <u>421,846</u> |

Net assets

| | | |
|---|--------------------------|--------------------------|
| Without donor restrictions | | |
| Available for operations | 2,898,427 | 677,136 |
| Net investment in property and equipment | 1,108,552 | 1,087,844 |
| Net investment in land and easements | 12,533,010 | 10,239,744 |
| Board designated - land stewardship and acquisition | - | 417,072 |
| Board designated - legal defense fund | 70,000 | 70,000 |
| Board designated - endowment | 2,483,439 | 3,419,438 |
| Board designated - Share the Wonder | <u>81,597</u> | <u>325,000</u> |
| | 19,175,025 | 16,236,234 |
| With donor restrictions | <u>5,963,313</u> | <u>5,087,163</u> |
| Total net assets | <u>25,138,338</u> | <u>21,323,397</u> |

| | | |
|---|-----------------------------|-----------------------------|
| Total liabilities and net assets | <u>\$ 27,303,147</u> | <u>\$ 21,745,243</u> |
|---|-----------------------------|-----------------------------|

See notes to consolidated financial statements.

FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

(With Comparative Totals for the Year Ended June 30, 2023)

| | Without Donor Restrictions | With Donor Restrictions | Total | |
|---|---|--|-----------------------------|-----------------------------|
| | | | 2024 | 2023 |
| Public support and other revenue | | | | |
| Foundations | \$ 337,739 | \$ - | \$ 337,739 | \$ 242,526 |
| Contributions | 1,399,215 | 2,723,030 | 4,122,245 | 279,328 |
| Bequests | 347,338 | - | 347,338 | 271,871 |
| Memberships | 1,414,172 | - | 1,414,172 | 1,841,960 |
| Interest and dividend income | 187,173 | 74,809 | 261,982 | 226,691 |
| In-kind donations | - | - | - | 100,540 |
| Gain on land disposition | 475,941 | - | 475,941 | - |
| Other | 94,679 | - | 94,679 | 71,991 |
| | <u>4,256,257</u> | <u>2,797,839</u> | <u>7,054,096</u> | <u>3,034,907</u> |
| Net assets released from restrictions | | | | |
| Satisfaction of purpose | <u>2,305,390</u> | <u>(2,305,390)</u> | <u>-</u> | <u>-</u> |
| Total public support and other revenue | <u>6,561,647</u> | <u>492,449</u> | <u>7,054,096</u> | <u>3,034,907</u> |
| Expenses | | | | |
| Program services | | | | |
| Conservation | 481,781 | - | 481,781 | 419,427 |
| Gorge Towns to Trails | 109,442 | - | 109,442 | 144,163 |
| Land Trust | 782,199 | - | 782,199 | 1,078,902 |
| Legal | 337,976 | - | 337,976 | 355,869 |
| Lobbying | 34,739 | - | 34,739 | 17,137 |
| Public engagement | 436,250 | - | 436,250 | 344,958 |
| Member service | 305,717 | - | 305,717 | 406,956 |
| Accessibility Project | 186,554 | - | 186,554 | 136,192 |
| Share the Wonder | 742,028 | - | 742,028 | - |
| Total program services | <u>3,416,686</u> | <u>-</u> | <u>3,416,686</u> | <u>2,903,604</u> |
| Supporting services | | | | |
| Management and general | 328,578 | - | 328,578 | 341,349 |
| Fund raising | 291,983 | - | 291,983 | 334,527 |
| Total expenses | <u>4,037,247</u> | <u>-</u> | <u>4,037,247</u> | <u>3,579,480</u> |
| Increase (decrease) in net assets before change in investments | 2,524,400 | 492,449 | 3,016,849 | (544,573) |
| Net realized and unrealized appreciation (depreciation) of investments | <u>414,391</u> | <u>383,701</u> | <u>798,092</u> | <u>658,743</u> |
| Change in net assets | 2,938,791 | 876,150 | 3,814,941 | 114,170 |
| Net assets, beginning of year | <u>16,236,234</u> | <u>5,087,163</u> | <u>21,323,397</u> | <u>21,209,227</u> |
| Net assets, end of year | <u>\$ 19,175,025</u> | <u>\$ 5,963,313</u> | <u>\$ 25,138,338</u> | <u>\$ 21,323,397</u> |

See notes to consolidated financial statements.

FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024

(With Comparative Totals for the Year Ended June 30, 2023)

| | PROGRAM SERVICES | | | | | | | | | | SUPPORTING SERVICES | | Total | |
|---------------------------------------|-------------------|-----------------------------|-------------------|-------------------|------------------|----------------------|--------------------|--------------------------|---------------------|---------------------|--------------------------------|-------------------|---------------------|---------------------|
| | Conser- vation | Gorge Towns to Trails | Land Trust | Legal | Lobbying | Public Engagement | Member Services | Accessibility Project | Share the Wonder | Program Total | Manage- ment and General | Fund- Raising | 2024 | 2023 |
| | | | | | | | | | | | | | | |
| Salaries | \$ 280,886 | \$ 57,751 | \$ 232,318 | \$ 156,240 | \$ 16,741 | \$ 224,675 | \$ 151,621 | \$ 64,381 | \$ 283,916 | \$ 1,468,529 | \$ 116,818 | \$ 166,487 | \$ 1,751,834 | \$ 1,588,100 |
| Payroll taxes | 21,964 | 4,519 | 18,960 | 12,216 | 1,310 | 17,576 | 11,864 | 5,034 | 22,217 | 115,660 | 9,141 | 13,020 | 137,821 | 118,497 |
| Benefits | 60,343 | 12,750 | 61,487 | 32,810 | 3,519 | 47,512 | 31,486 | 13,955 | 54,419 | 318,281 | 24,413 | 35,036 | 377,730 | 221,125 |
| Rent | 27,226 | 7,381 | 35,925 | 9,532 | 981 | 13,702 | 10,131 | 3,507 | - | 108,385 | 6,995 | 10,099 | 125,479 | 119,531 |
| Printing | 849 | 101 | 3,898 | 460 | 46 | 942 | 5,060 | 99 | 14,972 | 26,427 | 477 | 16,027 | 42,931 | 32,942 |
| Publication costs | 2,268 | 476 | 2,001 | 1,263 | 138 | 1,911 | 1,252 | 521 | 2,541 | 12,371 | 966 | 1,502 | 14,839 | 64,119 |
| Prospect costs | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,885 |
| Postage | 978 | 278 | 999 | 479 | 52 | 701 | 3,412 | 328 | 50 | 7,277 | 485 | 7,207 | 14,969 | 18,542 |
| Office supplies | 304 | 43 | 699 | 261 | 11 | 173 | 317 | 48 | 330 | 2,186 | 162 | 122 | 2,470 | 5,329 |
| Telephone | 2,243 | 809 | 2,611 | 1,600 | 78 | 2,094 | 1,775 | 302 | 1,308 | 12,820 | 972 | 1,394 | 15,186 | 14,092 |
| Database and website | 32,756 | 6,247 | 23,884 | 10,954 | 936 | 42,990 | 19,043 | 4,748 | 22,445 | 164,003 | 10,223 | 15,858 | 190,084 | 135,786 |
| Training | 2,010 | 432 | 3,770 | 246 | 53 | 2,094 | 711 | 91 | - | 9,407 | 9,636 | 399 | 19,442 | 14,392 |
| Equipment maintenance | 481 | 9 | 4,063 | 26 | 3 | 9,985 | 313 | 56 | 502 | 15,438 | 18 | 27 | 15,483 | 9,302 |
| Dues and subscriptions | 1,931 | 608 | 26,137 | 2,141 | 20 | 4,863 | 3,018 | 104 | - | 38,822 | 660 | 392 | 39,874 | 31,306 |
| Insurance | 1,429 | 1,310 | 6,757 | 679 | 74 | 1,011 | 724 | 2,381 | - | 14,365 | 4,910 | 1,448 | 20,723 | 20,441 |
| Event costs | 2,480 | 444 | 3,316 | 1,112 | 53 | 8,053 | 32,114 | 605 | 15,357 | 63,534 | 5,616 | 1,209 | 70,359 | 59,348 |
| Professional and contract services | 13,768 | 3,180 | 96,205 | 104,922 | 10,548 | 18,165 | 15,934 | 89,092 | 137,464 | 489,278 | 99,825 | 14,157 | 603,260 | 623,545 |
| Travel | 7,560 | 3,400 | 10,840 | 1,445 | 7 | 22,362 | 4,606 | 671 | 7,029 | 57,920 | 3,616 | 1,142 | 62,678 | 43,073 |
| Merchandise expense | 222 | - | 806 | - | - | 14,045 | 1,029 | - | 7,076 | 23,178 | 1,046 | 4,790 | 29,014 | 11,716 |
| Land acquisition expense | - | - | 40,752 | - | - | - | - | - | 151,011 | 191,763 | - | - | 191,763 | 93,721 |
| Land maintenance | - | 5,161 | 120,412 | - | - | - | - | 389 | 19,957 | 145,919 | - | - | 145,919 | 202,595 |
| Miscellaneous expense | 15,369 | 4,543 | 1,020 | 572 | 62 | 1,861 | 782 | 242 | 1,434 | 25,885 | 32,170 | 1,104 | 59,159 | 52,099 |
| Depreciation | 6,714 | - | 85,339 | 1,018 | 107 | 1,535 | 10,525 | - | - | 105,238 | 429 | 563 | 106,230 | 95,994 |
| | <u>\$ 481,781</u> | <u>\$ 109,442</u> | <u>\$ 782,199</u> | <u>\$ 337,976</u> | <u>\$ 34,739</u> | <u>\$ 436,250</u> | <u>\$ 305,717</u> | <u>186,554</u> | <u>\$ 742,028</u> | <u>\$ 3,416,686</u> | <u>\$ 328,578</u> | <u>\$ 291,983</u> | <u>\$ 4,037,247</u> | <u>\$ 3,579,480</u> |

See notes to consolidated financial statements.

FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended June 30, 2024

(With Comparative Totals for the Year Ended June 30, 2023)

| | 2024 | 2023 |
|---|----------------------------|--------------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 3,814,941 | \$ 114,170 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation | 106,230 | 95,994 |
| Net realized and unrealized appreciation (depreciation) of investments | 798,092 | (609,893) |
| Non-cash lease expense | (2,265) | 3,800 |
| Loss (gain) on land disposition | (475,941) | - |
| Changes in assets and liabilities: | | |
| Investment interest receivable | (2,255) | 4,758 |
| Grants and campaign receivable | (1,495,982) | (58,103) |
| Prepaid expenses | 35,050 | (60,760) |
| Accounts payable | (9,964) | 24,342 |
| Accrued vacation and benefits | 24,125 | 14,990 |
| Refundable advance - other | 3,585 | (5,262) |
| Net cash provided by (used in) operating activities | <u>2,795,616</u> | <u>(475,964)</u> |
| Cash flows from investing activities: | | |
| Proceeds from sale of investments | 8,271,841 | 4,053,846 |
| Purchase of investments | (8,636,386) | (3,810,288) |
| Sale of land in trust | 798,346 | - |
| Purchase of land in trust | (126,938) | (430,000) |
| Purchase of buildings and improvements | (4,382,000) | (47,921) |
| Net cash provided by (used in) investing activities | <u>(4,075,137)</u> | <u>(234,363)</u> |
| Cash flows from financing activities: | | |
| Proceeds from long term debt | 2,000,000 | - |
| Payments on long term debt | (233,671) | - |
| Net cash provided by (used in) financing activities | <u>1,766,329</u> | <u>-</u> |
| Net change in cash and cash equivalents | 486,808 | (710,327) |
| Cash and cash equivalents, beginning of year | 629,667 | 1,339,994 |
| Cash and cash equivalents, end of year | <u>\$ 1,116,475</u> | <u>\$ 629,667</u> |

See notes to consolidated financial statements.

FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

NOTE A – DESCRIPTION OF ORGANIZATION

Friends of the Columbia Gorge, Inc. & 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.

Gorge Accessibility Project - This project is grounded in a commitment to include those who are affected by the "barriers" of accessibility in the Gorge. Those barriers can vary greatly including physical, cultural, or even economic. Friends is working on a long-term vision for two properties, Cape Horn and Catherine Creek. In the future these land trust preserves may provide accessible hiking trails, picnicking and gathering spaces, educational features, ecological restoration, and viewpoints of the Gorge.

Share the Wonder - Share the Wonder is a \$6.6 million campaign to ensure the Columbia Gorge remains a natural wonder. The campaign is designed to protect it and inspire younger generations and new leaders to carry on this critical work in the years and decades ahead. The vision of the capital campaign is to acquire new properties, restore Cape Horn and Catherine Creek to their full potential as spaces for both wildlife and people, and forge new trail connections to enhance accessibility and connectivity throughout the Gorge.

Funds are provided from memberships, contributions and grants.

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

June 30, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

Revenue Recognition

Revenue streams applicable to the Organization that qualify as exchange transactions with “customers” (primarily rental income) is recognized at a single point when all risks and rewards transfer. Amounts received from customers in advance, such as deposits for future services, are recorded as deferred revenue until the Organization’s performance obligations are satisfied.

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

June 30, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. For year ended June 30, 2024, grants awarded, where conditions have not yet been met, total \$204,127.

Contributed Services and Materials

The Organization records various types of contributed services and materials. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible materials are recognized at fair value when received.

The Organization's policy related to gifts-in-kind is to utilize the assets received to carry out its mission. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value, donated to another charitable organization, returned to the donor, or discarded.

The amounts reflected in the accompanying financial statements as contributed services and materials are offset by like amounts included in expenses or additions to property and equipment.

Grants Receivable

Grants and pledges receivable are recorded when either the condition is met, or if free of conditions, when the grant or pledge is made. Management periodically assesses the need for an allowance for doubtful accounts based on historical experience and existing conditions affecting probable collection. Receivables are considered impaired if unpaid balances are not received in accordance with the agreement or expected pledge. It is the organization's policy to charge off uncollectible receivables when management determines the receivable will not be collected. Management has determined that an allowance for doubtful accounts of \$15,000 was adequate as of June 30, 2024. The organization had no receivable older than 90 days past expectation as of June 30, 2024. Certain receivables are expected beyond one year as follows:

| | |
|-----------------------|---------------------|
| Due in 1 year or less | \$ 1,415,902 |
| Due in 1 to 5 years | <u>150,000</u> |
| | <u>\$ 1,565,902</u> |

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

June 30, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Conditional Promises to Give

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures would be included as a refundable advance, no such liabilities were noted. The Organization has cost-reimbursable grants authorized of \$100,412 that have not been recognized at June 30, 2024 because performance requirements, and/or qualifying expenditures have not yet been incurred.

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.

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.

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

June 30, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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

June 30, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Leases

The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Organization determines these assets are leased because the Organization has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically for the exercise of the right to substitute the asset are not considered to be or contain a lease because the Organization determines it does not have the right to contract and direct the use of the identified asset.

In evaluating its contracts, the Organization separately identifies lease and non-lease components, such as fixed common area and other fixed maintenance costs, in calculating the "right-to-use" (ROU) assets and lease liabilities for its office buildings, apartments and vehicles. Non-lease components, which primarily include payments for maintenance and utilities, are excluded from lease payments in calculating the ROU balances.

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization uses the implicit rate when readily determinable. As most leases do not provide an implicit rate, the Organization uses a risk-free discount rate to measure the present value.

Lease expense is generally recognized on a straight-line basis over the lease term.

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

June 30, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2023, 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, 2024:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|-----------------------------|---------------------|---------------------|------------------|---------------------|
| Fixed income | \$ - | \$ 3,995,928 | \$ - | \$ 3,995,928 |
| Equities | 3,917,674 | - | - | 3,917,674 |
| Equity funds | 833,915 | - | - | 833,915 |
| Oregon Community Foundation | <u>-</u> | <u>-</u> | <u>40,400</u> | <u>40,400</u> |
| | <u>\$ 4,751,589</u> | <u>\$ 3,995,928</u> | <u>\$ 40,400</u> | <u>\$ 8,787,917</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, 2023 | \$ 36,355 |
| Gains (loss) included in the statement of activities | <u>4,045</u> |
| Balance, June 30, 2024 | <u>\$ 40,400</u> |

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

June 30, 2024

NOTE D – 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, 2024 were as follows:

| | Designated Without Donor Restrictions | With Donor Restrictions Accumulated Gains | Corpus | Total Net Endowment Assets |
|--|--|---|---------------------|----------------------------------|
| Endowment net assets, beginning of year | \$ 3,419,438 | \$ 835,448 | \$ 3,512,492 | \$ 7,767,378 |
| Contributions | 81,165 | - | 112,000 | 193,165 |
| Appropriations | 476,068 | (476,068) | - | - |
| Dividends | 71,876 | 74,809 | - | 146,685 |
| Investment gains (losses) | 368,653 | 383,701 | - | 752,354 |
| Expenditures | <u>(1,782,164)</u> | <u>-</u> | <u>-</u> | <u>(1,782,164)</u> |
| Endowment net assets, end of year | <u>\$ 2,635,036</u> | <u>\$ 817,890</u> | <u>\$ 3,624,492</u> | <u>\$ 7,077,418</u> |

NOTE E – DESIGNATED NET ASSETS

The Board designated \$70,000 for a legal defense fund program and \$81,597 for Share the Wonder and \$2,483,439 for future needs. These Board-designated funds are not classified as endowment funds.

NOTE F – LONG-TERM DEBT

Long-term debt as of June 30, 2024 consisted of the following:

| | |
|---|---------------------|
| Note payable to Craft 3, 11 quarterly payments of interest only at 4.5%, principal paid in installments as noted below; maturing December 31, 2025; secured by deed of trust. | <u>1,766,329</u> |
| Total long-term debt | <u>\$ 1,750,000</u> |
| Year Ending June 30, | |
| 2025 | \$ 758,484 |
| 2026 | 756,211 |
| 2027 | <u>251,634</u> |
| | <u>\$ 1,766,329</u> |

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

June 30, 2024

NOTE G – RESTRICTIONS ON NET ASSETS

As of June 30, 2024, the Organization had restricted net assets as follows:

| | |
|---|---------------------|
| Subject to purpose restrictions: | |
| Clausen Explore the Gorge | \$ 8,016 |
| Cape Horn | 194,259 |
| Legal fund | 20,000 |
| Winthrop/Wahoo - 7th Grade | 5,221 |
| Mt Ulka | 69,801 |
| Share the Wonder | 182,124 |
| TPL Stewardship | 71,404 |
| NR Stewardship | 78,390 |
| Share the Wonder restoration | 467,082 |
| Share the Wonder acquisition | 363,016 |
| USFW Turtle grant | 2,043 |
| Snag Work | 374 |
| Memaloose projects | 59,201 |
| | <u>1,520,931</u> |
| Subject to time restrictions (endowment earnings) | <u>817,890</u> |
| Not subject to appropriation or expenditure: | |
| Nancy Russell Endowment | 287,242 |
| Vic Clausen Endowment | 68,250 |
| Oregon Community Foundation | 25,000 |
| Wilson Endowment | 14,000 |
| Conservation Director Endowment | 3,000,000 |
| Holman Endowment | 100,000 |
| Matthew Winthrop Endowment Fund | 125,000 |
| Abramowitz Endowment | 5,000 |
| | <u>3,624,492</u> |
| Total net assets with donor restrictions | <u>\$ 5,963,313</u> |

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

June 30, 2024

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, 2024:

| | |
|--|---------------------|
| Financial assets at year-end | |
| Cash and cash equivalents | \$ 1,166,475 |
| Grants and bequests receivable | 1,565,902 |
| Investment interest receivable | 37,946 |
| Investments | 8,787,917 |
| Total financial assets | <u>11,558,240</u> |
| Less those unavailable for general expenditure within one year, due to: | |
| Contractual or donor-imposed restrictions: | |
| Subject to purpose restrictions | (1,326,672) |
| Subject to time restrictions | (817,890) |
| Not subject to appropriation | <u>(3,624,492)</u> |
| | (5,769,054) |
| Board designations: | <u>(2,635,036)</u> |
| Total unavailable financial assets | <u>(8,404,090)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | \$ <u>3,154,150</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 \$817,890 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.

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

June 30, 2024

NOTE I – LEASES

Nature of Leases

The Organization has entered into the following generally non-terminable lease arrangements:

- **Operating Leases**

The Organization has two leases for office space, one in Portland that expires in March of 2026 and one in Hood River that expires June of 2027. The leases include escalating fee schedules, which are approximately a 3 percent increase each year.

| | |
|--|----------------------------|
| | <u>2024</u> |
| Annual Lease Cost | \$ <u>103,082</u> |
| Cash paid for amounts included in the measurement of lease liabilities: | |
| Operating cash flows from leases | \$ <u>102,448</u> |
| Right-of-use assets obtained in exchange for new operating lease liabilities | \$ <u>385,961</u> |
| Weighted-average remaining lease term | 3.3 |
| Weighted-average discount rate | 5.00% |
| <u>Year Ending June 30,</u> | <u>Operating Lease</u> |
| 2025 | \$ 107,728 |
| 2026 | 92,804 |
| 2027 | 27,005 |
| 2028 | <u>-</u> |
| Total future undiscounted lease payments | 227,537 |
| Less present value discount | <u>(15,139)</u> |
| Total lease liability | \$ <u><u>212,398</u></u> |

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, 2024 was \$50,159.

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

June 30, 2024

NOTE K – CONTRIBUTED SERVICES AND MATERIALS

The Organization receives donated services from volunteers with specialized skills, as well as donated land from the public. Without these non-financial donations, the Organization would not be able to provide the same level of service to the community. Donated services are valued at current market rates for professional services. No items met the criteria at June 30, 2024

NOTE L – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 10, 2024, 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, 2024

ASSETS

| | <u>Friends</u> | <u>Land Trust</u> | <u>Consolidated</u> |
|--|----------------------------|------------------------------|-----------------------------|
| Cash and cash equivalents | \$ 636,076 | \$ 530,399 | \$ 1,166,475 |
| Investment interest receivable | 26,043 | 11,903 | 37,946 |
| Investments | 6,976,658 | 1,811,259 | 8,787,917 |
| Grants and campaign receivable, net | 1,499 | 1,564,403 | 1,565,902 |
| Prepaid expenses | 98,917 | 27,825 | 126,742 |
| Right to Use Asset (Note I) | 154,963 | 55,311 | 210,274 |
| Property and equipment, net of accumulated depreciation of \$93,918 Friends and \$303,240 Land Trust | 146,988 | 961,564 | 1,108,552 |
| Land and easements | <u>-</u> | <u>14,299,339</u> | <u>14,299,339</u> |
| Total assets | <u>\$ 8,041,144</u> | <u>\$ 19,262,003</u> | <u>\$ 27,303,147</u> |

LIABILITIES AND NET ASSETS

| | | | |
|--|----------------------------|-----------------------------|-----------------------------|
| Accounts payable and accrued expenses | \$ 75,475 | \$ 4,290 | \$ 79,765 |
| Accrued vacation and benefits | 102,732 | - | 102,732 |
| Refundable advances | - | 3,585 | 3,585 |
| Long term debt | - | 1,766,329 | 1,766,329 |
| Operating lease liability | <u>155,213</u> | <u>57,185</u> | <u>212,398</u> |
| Total liabilities | <u>333,420</u> | <u>1,831,389</u> | <u>2,164,809</u> |
| Net assets | | | |
| Without donor restrictions | | | |
| Available for operations | 606,678 | 2,291,749 | 2,898,427 |
| Net investment in buildings and improvements | 146,988 | 961,564 | 1,108,552 |
| Net investment in land and easements | - | 12,533,010 | 12,533,010 |
| Board designated - legal defense fund | - | 70,000 | 70,000 |
| Board designated - endowment | 2,483,439 | - | 2,483,439 |
| Board designated - Share the Wonder | <u>-</u> | <u>81,597</u> | <u>81,597</u> |
| | 3,237,105 | 15,937,920 | 19,175,025 |
| With donor restrictions | <u>4,470,619</u> | <u>1,492,694</u> | <u>5,963,313</u> |
| Total net assets | <u>7,707,724</u> | <u>17,430,614</u> | <u>25,138,338</u> |
| Total liabilities and net assets | <u>\$ 8,041,144</u> | <u>\$ 19,262,003</u> | <u>\$ 27,303,147</u> |

See notes to consolidated financial statements and independent auditor's report.

FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

| | <u>Friends</u> | <u>Land Trust</u> | <u>Consolidated</u> |
|---|-----------------------------------|------------------------------------|------------------------------------|
| Public support and other revenue | | | |
| Foundations | \$ 124,500 | \$ 213,239 | \$ 337,739 |
| Contributions | 169,231 | 3,953,014 | 4,122,245 |
| Bequests | 172,338 | 175,000 | 347,338 |
| Memberships | 165,269 | 1,248,903 | 1,414,172 |
| Interest and dividend income | 181,119 | 80,863 | 261,982 |
| Gain on land disposition | - | 475,941 | 475,941 |
| Other | 20,948 | 73,731 | 94,679 |
| Total public support and other revenue | <u>833,405</u> | <u>6,220,691</u> | <u>7,054,096</u> |
| Expenses | | | |
| Program services | | | |
| Conservation | 481,781 | - | 481,781 |
| Gorge Towns to Trails | - | 109,442 | 109,442 |
| Land Trust | - | 782,199 | 782,199 |
| Legal | 337,976 | - | 337,976 |
| Lobbying | 34,739 | - | 34,739 |
| Public engagement | 436,250 | - | 436,250 |
| Member service | 305,717 | - | 305,717 |
| Accessibility project | - | 186,554 | 186,554 |
| Share the Wonder capital campaign | - | 742,028 | 742,028 |
| Total program services | 1,596,463 | 1,820,223 | 3,416,686 |
| Supporting services | | | |
| Management and general | 203,274 | 125,304 | 328,578 |
| Fundraising | 153,704 | 138,279 | 291,983 |
| Total expenses | <u>1,953,441</u> | <u>2,083,806</u> | <u>4,037,247</u> |
| Increase (decrease) in net assets before change in investments | (1,120,036) | 4,136,885 | 3,016,849 |
| Net realized and unrealized appreciation (depreciation) of investments | 767,166 | 30,926 | 798,092 |
| Change in net assets | (352,870) | 4,167,811 | 3,814,941 |
| Net assets, beginning of year | 8,060,594 | 13,262,803 | 21,323,397 |
| Net assets, end of year | <u><u>\$ 7,707,724</u></u> | <u><u>\$ 17,430,614</u></u> | <u><u>\$ 25,138,338</u></u> |

See notes to consolidated financial statements and independent auditor's report.

FRIENDS OF THE COLUMBIA GORGE, INC. & SUBSIDIARY

CONSOLIDATING STATEMENT OF CASH FLOWS

Year Ended June 30, 2024

| | <u>Friends</u> | <u>Land Trust</u> | <u>Consolidated</u> |
|---|--------------------------|------------------------------|----------------------------|
| Cash flows from operating activities: | | | |
| Change in net assets | \$ (352,870) | \$ 4,167,811 | \$ 3,814,941 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | | |
| Depreciation | 20,891 | 85,339 | 106,230 |
| Net realized and unrealized (appreciation) depreciation of investments | 767,166 | 30,926 | 798,092 |
| Noncash lease expense | (2,774) | 509 | (2,265) |
| Loss (gain) on land disposition | - | (475,941) | (475,941) |
| Changes in assets and liabilities: | | | |
| Investment interest receivable | 403 | (2,658) | (2,255) |
| Grants and campaign receivable | (500) | (1,445,482) | (1,445,982) |
| Prepaid expenses | (11,421) | 46,471 | 35,050 |
| Accounts payable | 28,407 | (38,371) | (9,964) |
| Accrued vacation and benefits | 24,125 | - | 24,125 |
| Refundable advance- other | - | 3,585 | 3,585 |
| Net cash provided by (used in) operating activities | <u>473,427</u> | <u>2,372,189</u> | <u>2,845,616</u> |
| Cash flows from investing activities: | | | |
| Proceeds from sale of investments | 6,478,372 | 1,793,469 | 8,271,841 |
| Purchase of investments | (6,617,057) | (2,019,329) | (8,636,386) |
| Sale of land in trust | - | 798,346 | 798,346 |
| Purchase of buildings and improvements | (121,899) | (5,039) | (126,938) |
| Purchase of land in trust | - | (4,382,000) | (4,382,000) |
| Net cash provided by (used in) investing activities | <u>(260,584)</u> | <u>(3,814,553)</u> | <u>(4,075,137)</u> |
| Cash flows from financing activities: | | | |
| Proceeds from long term debt | - | 2,000,000 | 2,000,000 |
| Payments on long term debt | - | (233,671) | (233,671) |
| Net cash provided by (used in) financing activities | <u>-</u> | <u>1,766,329</u> | <u>1,766,329</u> |
| Net change in cash and cash equivalents | 212,843 | 323,965 | 536,808 |
| Cash and cash equivalents, beginning of year | <u>423,233</u> | <u>206,434</u> | <u>629,667</u> |
| Cash and cash equivalents, end of year | <u>\$ 636,076</u> | <u>\$ 530,399</u> | <u>\$ 1,166,475</u> |

See notes to consolidated financial statements and independent auditor's report.