



**Gary McGee & Co. LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

## **Oregon Wildlife Foundation**

Consolidated Financial Statements and Other Information  
as of and for the Year Ended December 31, 2016  
and Report of Independent Accountants

OREGON WILDLIFE FOUNDATION

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## **REPORT OF INDEPENDENT ACCOUNTANTS**

*The Board of Directors  
Oregon Wildlife Heritage Foundation:*

We have audited the accompanying consolidated financial statements of the Oregon Wildlife Heritage Foundation (dba the “Oregon Wildlife Foundation”), which comprise the consolidated statement of financial position as of December 31, 2016, and the related consolidated statements of activities and cash flows for the year then ended, and the related 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor’s Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Oregon Wildlife Heritage Foundation as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

*Summarized Comparative Information*

We have previously audited the Oregon Wildlife Heritage Foundation's 2015 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 12, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*Ernst & Co. LLP*

May 23, 2017

OREGON WILDLIFE FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

DECEMBER 31, 2016

(WITH COMPARATIVE AMOUNTS FOR 2015)

	<b>2016</b>	<b>2015</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,448,815	1,228,946
Grants and contributions receivable ( <i>note 3</i> )	13,908	5,794
Inventories	139,975	116,100
Prepaid expenses and other assets	2,803	3,970
Beneficial interest in assets held by the Oregon Community Foundation ( <i>note 4</i> )	3,373,869	3,339,480
Property and equipment ( <i>note 5</i> )	194,724	203,660
<b>Total assets</b>	<b>\$ 5,174,094</b>	<b>4,897,950</b>
<b>Liabilities:</b>		
Accounts payable and accrued expenses	10,092	14,723
Accrued payroll and related expenses	8,873	6,072
Grants payable	-	7,873
Conditional grants ( <i>note 3</i> )	73,506	-
Refundable event sponsorships	6,500	3,500
Funds held on behalf of others ( <i>note 7</i> )	100,321	102,441
<b>Total liabilities</b>	<b>199,292</b>	<b>134,609</b>
<b>Net assets:</b>		
Unrestricted:		
Available for programs and general operations	591,609	435,801
Designated by the Board ( <i>note 8</i> )	396,060	481,730
Net investment in capital assets	194,724	203,660
<b>Total unrestricted</b>	<b>1,182,393</b>	<b>1,121,191</b>
Temporarily restricted ( <i>note 8</i> )	1,228,905	1,078,646
Permanently restricted ( <i>note 8</i> )	2,563,504	2,563,504
<b>Total net assets</b>	<b>4,974,802</b>	<b>4,763,341</b>
Commitments and contingencies ( <i>notes 3, 11, 12, 13, and 14</i> )		
<b>Total liabilities and net assets</b>	<b>\$ 5,174,094</b>	<b>4,897,950</b>

See accompanying notes to consolidated financial statements.

OREGON WILDLIFE FOUNDATION

**CONSOLIDATED STATEMENT OF ACTIVITIES**

YEAR ENDED DECEMBER 31, 2016  
(WITH COMPARATIVE TOTALS FOR 2015)

	2016			Total	2015
	Unrestricted	Temporarily restricted	Permanently restricted		
<b>Revenues, gains, and other support:</b>					
Grants and contributions	\$ 7,357	190,682	–	198,039	95,336
Memberships	18,394	–	–	18,394	24,070
Special events, net of direct costs of \$41,374 in 2016 and \$36,705 in 2015	141,499	–	–	141,499	141,460
Gift store sales revenue, net of costs of sales of \$350,117 in 2016 and \$298,649 in 2015	322,790	–	–	322,790	283,278
Other sales	21,212	–	–	21,212	15,876
Interest income	2,855	–	–	2,855	2,602
Net change in beneficial interest in general operating assets held by the Oregon Community Foundation ( <i>note 4</i> )	5,888	–	–	5,888	(1,274)
Loss on disposal of assets	(800)	–	–	(800)	–
Other	8,935	–	–	8,935	3,129
<b>Total revenues and gains</b>	<b>528,130</b>	<b>190,682</b>	<b>–</b>	<b>718,812</b>	<b>564,477</b>
Appropriation of endowment assets for expenditure ( <i>notes 4 and 8</i> )	–	152,168	–	152,168	147,752
Net assets released from restrictions ( <i>note 9</i> )	225,923	(225,923)	–	–	–
<b>Total revenues, gains, and other support</b>	<b>754,053</b>	<b>116,927</b>	<b>–</b>	<b>870,980</b>	<b>712,229</b>
<b>Expenses (<i>note 10</i>):</b>					
Program services	461,968	–	–	461,968	368,641
Supporting services:					
Management and general	125,850	–	–	125,850	127,482
Fundraising	105,033	–	–	105,033	111,210
<b>Total expenses</b>	<b>692,851</b>	<b>–</b>	<b>–</b>	<b>692,851</b>	<b>607,333</b>
Increase in net assets before non-operating activities	61,202	116,927	–	178,129	104,896
<b>Non-operating activities:</b>					
Net change in beneficial interest in endowment assets held by the Oregon Community Foundation ( <i>notes 4 and 8</i> )	–	185,500	–	185,500	(40,128)
Appropriation of endowment assets for expenditure ( <i>notes 4 and 8</i> )	–	(152,168)	–	(152,168)	(147,752)
Increase (decrease) in net assets	61,202	150,259	–	211,461	(82,984)
Net assets at beginning of year	1,121,191	1,078,646	2,563,504	4,763,341	4,846,325
Net assets at end of year	\$ 1,182,393	1,228,905	2,563,504	4,974,802	4,763,341

See accompanying notes to consolidated financial statements.

OREGON WILDLIFE FOUNDATION

**CONSOLIDATED STATEMENT OF CASH FLOWS**

YEAR ENDED DECEMBER 31, 2016  
(WITH COMPARATIVE TOTALS FOR 2015)

	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities:</b>		
Cash received from grantors, donors, and members	\$ 394,192	284,297
Cash received from sales and other sources	774,440	662,833
Cash received from interest	2,855	2,602
Distribution of investment return earned on assets held by the Oregon Community Foundation ( <i>note 4</i> )	156,999	152,440
Cash paid for programs and operating costs	(1,101,248)	(927,634)
Net cash provided by operating activities	227,238	174,538
<b>Cash flows from investing activities:</b>		
Capital expenditures	(7,369)	(4,276)
Net cash used in investing activities	(7,369)	(4,276)
Net increase in cash and cash equivalents	219,869	170,262
Cash and cash equivalents at beginning of year	1,228,946	1,058,684
Cash and cash equivalents at end of year	\$ 1,448,815	1,228,946

See accompanying notes to consolidated financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2016

**1. The Organization**

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

**2. Summary of Significant Accounting Policies**

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

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

**Principles of Consolidation** – The accompanying financial statements include the accounts of the Foundation and its single-member, limited liability corporation, the Bonneville Gift Store. All significant intercompany investments, accounts, and transactions have been eliminated.

**Basis of Presentation** – The Oregon Wildlife Foundation has adopted the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) No. 958-605, *Revenue Recognition*, and FASB ASC No. 958-205, *Presentation of Financial Statements*. Under these provisions, net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the organization and changes therein are classified and reported as follows:

- *Unrestricted net assets* – Net assets not subject to donor-imposed stipulations.
- *Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time. These balances represent the unexpended portion of externally restricted contributions and investment return to be used for specific programs and activities in the future.
- *Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the organization to use all or part of the income earned on related investments for general or specific purposes.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.



**Use of Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the opinion of management, such differences, if any, would not be significant.

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

When applicable, contributions receivable for the support of future operations, programs, and activities are recorded at the present value of the estimated future cash flows, net of an allowance for uncollectible amounts. The allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any.

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

**In-Kind Contributions** – The Oregon Wildlife Foundation receives contributed services from a large number of volunteers who assist in fundraising and other efforts through their participation in a range of businesses and activities. In accordance with FASB ASC No. 958-605, the value of such services, which the organization considers not practicable to estimate, has not been recognized in the statement of activities. Significant services received which create or enhance a non-financial asset or require specialized skills that the organization would have purchased if not donated are recognized in the consolidated statement of activities. During the year ended December 31, 2016, no contributed services were recorded.

In-kind contributions of equipment and other materials are recorded where there is an objective basis upon which to value these contributions and where the contributions are an essential part of the Foundation's activities. During the year ended December 31, 2016, no contributions of equipment and other materials were recorded.

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

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

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

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

**Revenue Recognition** – All grants and contributions are considered available for unrestricted use unless specifically restricted by the donor. Service revenues are recognized at the time services are provided and the revenues are earned. Membership payments received from organization members are considered equivalent to unrestricted contributions and are recognized as revenue when received.

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

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

**Concentrations of Credit Risk** – The Foundation's financial instruments consist primarily of cash equivalents and its beneficial interest in assets held by the Oregon Community Foundation ("OCF") (see note 4), which may subject the organization to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). The Oregon Wildlife Foundation's beneficial interest in funds held by the OCF is dependent upon changes in the fair values of the underlying investments and the ability of the OCF to honor its commitment.

All checking and savings accounts, money market deposit accounts, and certificates of deposit are insured by the FDIC for up to \$250,000 for each depositor, for each insured bank, for each account ownership category. At December 31, 2016, the organization held \$1,137,507 in excess of FDIC-insured limits.

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

**Endowment Funds and Interpretation of Relevant Law** – Effective January 1, 2008, the State of Oregon adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), which governs Oregon charitable institutions with respect to the management, investment and expenditure of donor-restricted endowment funds.

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

As a result of this interpretation, the Foundation classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) subsequent gifts to the endowment, and (3) accumulations made pursuant to the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

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

With regard to endowment losses or appropriations in excess of the fair value of the original gift, in accordance with FASB ASC No. 958-320, *Investments – Debt and Equity Securities*, the portion of a donor-restricted endowment that is classified as permanently restricted is not reduced by losses on the investments of the fund, except to the extent required by the donor, including losses related to specific investments that the donor requires the Foundation to hold in perpetuity. Similarly, the amount of permanently restricted net assets is not reduced by the organization's appropriations from the fund. In the absence of donor stipulations or law to the contrary, losses or appropriations of a donor-restricted endowment reduce temporarily restricted net assets to the extent that donor-imposed temporary restrictions on net appreciation of the fund have not been satisfied before the loss or appropriation occurs. Any remaining loss or appropriation reduces unrestricted net assets.

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

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

The Foundation receives annual distributions of the net investment return earned on these assets (generally 4.5% of the average fair market value of the funds using a trailing 13-quarter average). Actual endowment return earned in excess of distributions under this policy is reinvested as part of the organization's management of endowment and is reported as a non-operating item in the accompanying statement of activities. For years where actual endowment return is less than distributions under the policy, the short-fall is intended to be covered by realized and unrealized returns from prior years.

During the year ended December 31, 2016, the organization's Board of Directors appropriated endowment assets totaling \$152,168 for expenditure in accordance with this policy (see note 8).

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

**Operating Results** – Operating results reported in the consolidated statement of activities reflect all transactions that change unrestricted net assets, except for the net investment return on endowment and related assets (less the amounts appropriated by the Board to support current operations). In accordance with the Foundation’s endowment distribution policy, only the portion of total investment return distributed under this policy to meet operating needs is included in operating revenue. Other operating investment income consists of interest, dividends, and other investment return earned on unrestricted, non-endowment assets.

**Subsequent Events** – As required by FASB ASC No. 855, *Subsequent Events*, subsequent events have been evaluated by management through May 23, 2017, which is the date the financial statements were available to be issued.

**Summarized Financial Information for 2015** – The accompanying financial information as of and for the year ended December 31, 2015, is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

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

### 3. Grants and Contributions Receivable

Grants and contributions receivable consist of unconditional promises expected to be collected in less than one year and total \$13,908 at December 31, 2016.

In addition, at December 31, 2016 the Foundation held two conditional grants totaling \$228,000, restricted to the Pacific Bird Joint Venture project (a project for which the Foundation serves as fiscal sponsor in cooperation with Pacific Birds Habitat Joint Venture, Inc.). These awards require the incurrence of certain allowable expenses in accordance with the terms of the grant agreements before the Foundation has legal claim to the revenues. Accordingly, the award has not yet been reported in the accompanying financial statements because the related conditions had not been satisfied as of December 31, 2016. Of the \$228,000 total, the Foundation had received \$73,506 in cash advances as of December 31, 2016, an amount which has been reported in the accompanying statement of financial position as a conditional grant liability.

### 4. Beneficial Interest in Assets Held by the Oregon Community Foundation

The Oregon Wildlife Foundation has established several funds at the Oregon Community Foundation, which holds and invests them as component funds for the benefit of the organization. These include both donor-restricted endowment (see note 8) and Board-designated funds.

These funds were established through a transfer of assets to the OCF in return for the contractual promise of a perpetual stream of future distributions back to the organization, based on the OCF’s spending rate and related policies (described below). Although the OCF accepted the transferred assets subject to its own variance power, the Oregon Wildlife Foundation has retained a future economic beneficial interest in the transferred assets, having named itself as the beneficiary of the transferred funds and related future investment return. As of December 31, 2016, management believes that future distributions from the OCF are capable of fulfillment and consistent with the OCF’s mission.

In accordance with FASB ASC No. 958-605, the Foundation accounts for its interest in these funds using the equity method of accounting, which approximates the present value of the estimated expected future cash flow that will inure to the Foundation in the future. Management's estimate of fair value is based solely upon information provided by the OCF.

Changes in the Foundation's beneficial interest in these funds for the year ended December 31, 2016 are summarized as follows:

	Donor-restricted endowment			General operating reserve	Total
	Bernice Fisk endowment	Robert D. and Beulah Drake endowment	Total		
Balance at beginning of year	\$ 321,688	2,915,058	3,236,746	102,734	3,339,480
Add increase in the fair value of the funds	18,438	167,062	185,500	5,888	191,388
Less the distribution of investment return to the Foundation	(15,065)	(137,103)	(152,168)	(4,831)	(156,999)
Balance at end of year	\$ 325,061	2,945,017	3,270,078	103,791	3,373,869

Under the terms of its agreement with the OCF, the funds are invested at the discretion of OCF's Board of Directors and are held in a mixture of asset classes designed to maximize return while minimizing risk. The Oregon Wildlife Foundation generally receives periodic distributions of the net investment return earned on these assets (generally 4.5% of the average fair market value of the funds using a trailing 13-quarter average), which are made each June and December. During the year ended December 31, 2016, the organization received total distributions of \$156,999, of which \$152,168 represented distributions from endowment assets and \$4,831 from general operating and expendable assets.

## 5. Property and Equipment

A summary of the Foundation's property and equipment at December 31, 2016 is as follows:

Gift store building	\$ 410,360
Furniture	30,435
Land improvements	20,950
Operating equipment	6,415
	468,160
Less accumulated depreciation	(273,436)
	\$ 194,724

In addition to the above, the Bonneville Gift Store (see note 6) is situated on land controlled by the Oregon Department of Fish and Wildlife, and made available rent-free to the organization. Because an estimate of the value of this ongoing contribution to the organization is not readily determinable, no value has been ascribed to this in-kind contribution nor included in the accompanying financial statements.

## 6. Bonneville Gift Store

The Bonneville Gift Store was organized by the Foundation in 1990 as a wholly-owned, for-profit corporation to manage the Bonneville Gift Store located at the Bonneville Fish Hatchery in Cascade Locks, Oregon. The gift store features a variety of fish and wildlife art, woodcarvings, and pottery, as well as specialty foods from Oregon.

In 2003, the organization's Board of Directors converted the Bonneville Gift Store to a single-member, limited liability corporation, with the organization as its single, controlling member.

## 7. Funds Held on Behalf of Others

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

A summary of funds held on behalf of others at December 31, 2016 is as follows:

Willamette Habitat Restoration	\$	53,961
Oregon Department of Fish and Wildlife		43,381
Youth Outdoor Day		2,879
Other		100
	\$	100,321

## 8. Restrictions and Limitations on Net Asset Balances

### Board-Designated Net Assets

The Foundation's Board of Directors has designated \$396,060 of unrestricted net assets to the following purposes:

<i>For programs:</i>	
Projects	\$ 110,544
Project reserves	181,725
	292,269
For operating reserves ( <i>note 4</i> )	103,791
	\$ 396,060

### Temporarily Restricted Net Assets

Temporarily restricted net assets held at December 31, 2016 represent \$1,228,905 in contributions, grants, and other unexpended revenues and gains available for specific program purposes and future periods, as follows:

<i>Expendable grants and contributions:</i>	
Sturgeon Lake	\$ 353,026
Deschutes River	94,112
Clackamas River	34,319
Catch a Poacher	1,307
Eastern Oregon projects	5,175
Carp fishery Project	2,771
Wilson Shooting Platform	6,340
Other	11,373
For general operating purposes in future periods	13,908
	522,331
<i>Expendable endowment earnings:</i>	
Purpose restricted earnings not yet appropriated for expenditure (Bernice Fisk Endowment)	73,898
Purpose unrestricted earnings not yet appropriated for expenditure (Robert D. and Beulah Drake Endowment)	632,676
	706,574
	\$ 1,228,905

*Permanently Restricted Net Assets*

At December 31, 2016, the Foundation held \$2,563,504 in donor-restricted endowment funds, as follows:

Bernice Fisk Endowment <sup>1</sup>	\$ 251,163
Robert D. and Beulah Drake Endowment <sup>2</sup>	2,312,341
	<hr/>
	\$ 2,563,504

<sup>1</sup> Income is restricted for the restoration and enhancement of wildlife in the Deschutes River watershed.

<sup>2</sup> Income is unrestricted as to purpose.

The Foundation's endowment consists of two individual funds. As required by generally accepted accounting principles, net assets associated with endowment are classified and reported based on the existence or absence of donor-imposed restrictions.

The following summarizes the organization's endowment-related activities for the year ended December 31, 2016:

	<b>Temporarily restricted</b>	<b>Permanently restricted</b>	<b>Total</b>
Endowment net assets at beginning of year	\$ 673,242	2,563,504	3,236,746
Net change in beneficial interest in assets held by the Oregon Community Foundation	185,500	—	185,500
Appropriation of endowment assets for expenditure	(152,168)	—	(152,168)
Endowment net assets at end of year	<hr/>	<hr/>	<hr/>
	\$ 706,574	2,563,504	3,270,078

## 9. Net Assets Released from Restrictions

During the year ended December 31, 2016, the Foundation incurred expenses totaling \$225,923 in satisfaction of the restricted purposes imposed on contributions by donors.

## 10. Expenses

The costs of providing the various programs and activities of the Foundation have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses by natural classification are summarized as follows:

	2016	2015
Salaries and related expenses	\$ 354,356	310,127
Project costs	171,057	118,167
Professional services	38,690	63,658
Income taxes	21,086	20,605
Repairs and maintenance	25,039	1,689
Bank fees	15,942	14,183
Supplies	11,247	13,378
Occupancy	11,355	11,384
Telephone	10,284	12,939
Insurance	7,433	7,700
Membership and newsletter	3,984	2,238
Conference and meetings	1,845	3,567
Postage	1,302	1,956
Travel	877	2,524
Printing	599	4,426
Other	2,250	4,207
Depreciation	15,505	14,585
	<u>\$ 692,851</u>	<u>607,333</u>

## 11. Contingencies

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

## 12. Commitments

As of December 31, 2016, the Foundation had made several funding commitments to grantees in support of project costs, and conditioned upon the incurrence of expenses in accordance with the terms of the grant agreements. Accordingly, grant expenses associated with these awards have not yet been included in the accompanying financial statements because the associated conditions had not been satisfied as of December 31, 2016. Outstanding conditional grants payable at December 31, 2016 totaled \$93,398.

In addition, as of December 31, 2016 the Foundation had entered into a \$180,000 contract with a conservation specialist who will work on the Pacific Bird Joint Venture project over the 2017-19 fiscal periods. These costs will be reported as expenses as they are incurred in the future.

## 13. Operating Lease

The Foundation leases its administrative office space under an agreement that expires in January of 2017. Minimum future annual lease payments of \$11,400 are due under this lease agreement. Rent expense under this lease agreement totaled \$11,355 for the year ended December 31, 2016.



#### 14. Retirement Plan

The organization has adopted a SIMPLE IRA plan. All employees are eligible to make voluntary contributions to the plan 90 days after they are hired on a pre-tax basis up to the limits allowed by law. Employee contributions are matched at 100% for eligible participant deferrals up to 3.0% of the participant's annual compensation. Both employee and employer contributions are fully vested at all times. Contributions by the organization to the plan totaled \$7,910 for the year ended December 31, 2016.

#### 15. Fair Value Measurements

The accompanying financial statements report certain financial instruments of the Foundation at fair value. These assets have been classified, for disclosure purposes, based on a hierarchy defined by FASB ASC No. 820, *Fair Value Measurements and Disclosures*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3).

At December 31, 2016, the Foundation's beneficial interest in assets held by the OCF is reported at fair value on a recurring basis. These assets are measured at fair value using information received from the OCF (i.e., Level 3). See note 4 for a summary of the change in these assets during the year ended December 31, 2016.

#### 16. Statement of Cash Flows Reconciliation

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

Increase in net assets	\$ 211,461
<hr/>	
<i>Adjustments to reconcile increase in net assets to net cash provided by operating activities:</i>	
Depreciation	15,505
Loss on fixed assets disposal	800
Distribution of investment return earned on assets held by the Oregon Community Foundation ( <i>note 4</i> )	156,999
Net change in beneficial interest in assets held by the Oregon Community Foundation ( <i>note 4</i> )	(191,388)
<i>Net changes in:</i>	
Grants and contributions receivable	(8,114)
Inventories	(23,875)
Prepaid expenses and other assets	1,167
Accounts payable and accrued expenses	(4,631)
Accrued payroll and related expenses	2,801
Grants payable	(7,873)
Conditional grants	73,506
Refundable event sponsorships	3,000
Funds held on behalf of others	(2,120)
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Total adjustments	15,777
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Net cash provided by operating activities	\$ 227,238
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OREGON WILDLIFE HERITAGE FOUNDATION

**GOVERNING BOARD AND MANAGEMENT**

AS OF DECEMBER 31, 2016

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**Officers**

Ryland Moore  
*President*

Gary Papé  
*Vice President*

Brian Witt  
*Secretary*

Mark Witt  
*Treasurer*

**Board of Directors**

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Dave Cummings

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Chip Graeper

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Jim Irvine

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Gordon King

Kim MacColl

Mike Phillips

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Bill Shake

Kerry Shepherd

Rob Stuart

**Management and Staff**

Tim Greseth  
*Executive Director*

Pam Simser  
*Operations Manager*

Sherri Phillips  
*Development and Marketing  
Manager*

Sarah Armstrong  
*Communications Coordinator*

Angelique Williams  
*Manager, Bonneville Gift Store*

OREGON WILDLIFE HERITAGE FOUNDATION

**INQUIRIES AND OTHER INFORMATION**

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**Administrative Offices**

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Portland, Oregon 97230

P. O. Box 30406  
Portland, Oregon 97294-3406

(503) 255-6059

**Bonneville Gift Store**

70741 N.E. Sturgeon Lane  
Cascade Locks, Oregon 97014

(541) 374-8447  
(541) 374-9006 Fax

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

**Web**

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**E-Mail**

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