

OREGON PARKS FOREVER

FINANCIAL STATEMENTS

Year Ended September 30, 2020



KERN ▲ THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

OREGON PARKS FOREVER
FINANCIAL STATEMENTS
Year Ended September 30, 2020

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-11

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Oregon Parks Forever
Portland, Oregon

We have reviewed the accompanying financial statements of Oregon Parks Forever (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Summarized Comparative Information

We previously audited Oregon Parks Forever's 2019 financial statements and we expressed an unmodified opinion on those financial statements in our report dated April 20, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Portland, Oregon
March 24, 2021

OREGON PARKS FOREVER
STATEMENT OF FINANCIAL POSITION

September 30, 2020
(With Comparative Totals as of September 30, 2019)

ASSETS

	2020	2019
	<u>Reviewed</u>	<u>Audited</u>
Cash and cash equivalents	\$ 208,228	\$ 135,718
Pledges receivable	95	2,155
Prepaid expenses	8,560	12,503
Land held as historical treasure	900,000	900,000
Property and equipment (less accumulated depreciation of \$3,499 and \$2,221, respectively)	<u>5,080</u>	<u>6,358</u>
Total assets	<u>\$ 1,121,963</u>	<u>\$ 1,056,734</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 9,014	\$ 16,923
Payroll related liabilities	-	3,500
EIDL loan payable	<u>100,000</u>	<u>-</u>
Total liabilities	<u>109,014</u>	<u>20,423</u>
Net assets		
Without donor restrictions		
Land held as historical treasure (Note C)	900,000	900,000
Undesignated	<u>47,324</u>	<u>99,298</u>
Total without donor restrictions	<u>947,324</u>	<u>999,298</u>
With donor restrictions	<u>65,625</u>	<u>37,013</u>
Total net assets	<u>1,012,949</u>	<u>1,036,311</u>
Total liabilities and net assets	<u>\$ 1,121,963</u>	<u>\$ 1,056,734</u>

See independent accountants' review report and notes to financial statements.

OREGON PARKS FOREVER

STATEMENT OF ACTIVITIES

Year Ended September 30, 2020

(With Comparative Totals for the Year Ended September 30, 2019)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020 Reviewed	2019 Audited
Revenues and other support				
Contributions and grants	\$ 271,460	\$ 35,297	\$ 306,757	\$ 366,192
In-kind contributions	43,200	-	43,200	80,559
Paycheck protection program grant	38,210	-	38,210	-
	352,870	35,297	388,167	446,751
Net assets released from restrictions	6,685	(6,685)	-	-
Total revenues and other support	359,555	28,612	388,167	446,751
Expenses				
Program services	252,379	-	252,379	327,470
Supporting services				
Management and general	44,599	-	44,599	45,901
Development	114,551	-	114,551	114,494
Total expenses	411,529	-	411,529	487,865
Change in net assets	(51,974)	28,612	(23,362)	(41,114)
Net assets				
Beginning of year	999,298	37,013	1,036,311	1,077,425
End of year	\$ 947,324	\$ 65,625	\$ 1,012,949	\$ 1,036,311

See independent accountants' review report and notes to financial statements.

OREGON PARKS FOREVER

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2020

(With Comparative Totals for the Year Ended September 30, 2019)

	<u>Program Services</u>	<u>SUPPORTING SERVICES</u>		<u>Total</u>	
		<u>Management and General</u>	<u>Development</u>	<u>2020 Reviewed</u>	<u>2019 Audited</u>
Salaries	\$ 128,598	\$ 28,311	\$ 60,942	\$ 217,851	\$ 214,957
Payroll taxes	9,672	2,129	4,584	16,385	15,680
Benefits	8,706	1,917	4,126	14,749	15,874
Professional services	33,597	3,512	3,512	40,621	34,121
Software Platforms	2,991	374	19,709	23,074	20,677
Occupancy	12,954	1,619	1,619	16,192	3,548
Printing and postage	7,190	899	899	8,988	5,725
Insurance & Business Expense	4,012	502	1,219	5,733	4,780
Travel and meetings	2,137	195	2,720	5,052	51,641
Office expense	6,913	647	10,510	18,070	39,270
Depreciation	780	140	357	1,277	1,033
In-kind marketing and other services	<u>34,829</u>	<u>4,354</u>	<u>4,354</u>	<u>43,537</u>	<u>80,559</u>
	<u>\$ 252,379</u>	<u>\$ 44,599</u>	<u>\$ 114,551</u>	<u>\$ 411,529</u>	<u>\$ 487,865</u>

See independent accountants' review report and notes to financial statements.

OREGON PARKS FOREVER

STATEMENT OF CASH FLOWS

Year Ended September 30, 2020

(With Comparative Totals for the Year Ended September 30, 2019)

	2020	2019
	<u>Reviewed</u>	<u>Audited</u>
Cash flows from operating activities:		
Change in net assets	\$ (23,362)	\$ (41,114)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,278	1,033
Changes in assets and liabilities:		
Pledges receivable	2,060	13,755
Prepaid expenses	3,943	1,187
Accounts payable	(7,909)	10,549
Payroll and related payables	(3,500)	3,500
Net cash provided by (used in) operating activities	<u>(27,490)</u>	<u>(11,090)</u>
Cash flows from investing activities:		
Purchases of property and equipment	-	(5,446)
Net cash provided by (used in) investing activities	<u>-</u>	<u>(5,446)</u>
Cash flows from financing activities:		
Proceeds from EIDL loan	100,000	-
Net cash provided by (used in) financing activities	<u>100,000</u>	<u>-</u>
Net change in cash and cash equivalents	72,510	(16,536)
Cash and cash equivalents, beginning of year	135,718	152,254
Cash and cash equivalents, end of year	\$ <u>208,228</u>	\$ <u>135,718</u>

See independent accountants' review report and notes to financial statements.

OREGON PARKS FOREVER

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2020

NOTE A – DESCRIPTION OF ORGANIZATION

Oregon Parks Forever (the Organization) is a statewide non-profit organization dedicated to enhancing and preserving special places and experiences in Oregon's parks. As such, it is a non-profit fundraising partner for federal, state, local and tribal park agencies across the state.

The Organization was established in 1995 to address state park needs in ways not easily undertaken within existing governmental funding and programmatic limitations. The Organization is a public/private partnership in the truest sense: The Organization works closely with the Oregon Parks and Recreation Department, but operates independently for the benefit of all Oregonians.

As a fundraising partner, the Organization does not typically manage or run programs. It provides funding for programs such as Ticket2Ride and Cottonwood Crossing Summer Institute, but does not provide employees to run these programs, which are typically managed through partnerships with other non-profit organizations.

Program expenses for the Organization reflect the costs of raising funds which are then provided to the various public land managers and other non-profit organizations. Those funds are used to implement the enhancement of special places and fund various programs. Administrative costs reflect the small costs that go into managing the Organization, such as board meetings, accounting, IT services, etc. Development expenses are the costs associated with raising funds needed for the administrative costs of the Organization.

Since its inception, the Organization has had some notable successes preserving or enhancing special places and experiences in Oregon's State Parks, including:

- **Restoration of Vista House at Crown Point:** Partnered with OPRD and Friends of Vista House to raise \$2.1 million to restore the Vista House in 2004.
- **Kam Wah Chung Museum in John Day:** Raised \$1.5 million to develop the Kam Wah Chung Museum in John Day.
- **Restoration of Oregon's historic lighthouses:** Seven scenic lighthouses along the Oregon coast have been restored with Organization assistance.
- **Funding for Let's Go Camping:** For six years the Organization raised funds for this program to give all Oregonians an opportunity for a first-time camping experience.
- **Construction of yurts in campgrounds throughout the state:** The Organization funded the purchase of the first 50 camping yurts for State Parks. These were the first yurts in any park system in the United States.
- **Cottonwood Canyon Experience Center:** The Organization raised \$800,000 to enable the building of the Cottonwood Canyon Experience Center – the centerpiece of a complex that provides a classroom, cabins and a shower/restroom facility for outdoor education in north central Oregon.

The Organization has had a statewide impact by preserving and enhancing dozens of outstanding natural, scenic and cultural sites in all corners of the state.

OREGON PARKS FOREVER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Pronouncements

During the fiscal year ended September 30, 2020, one new accounting pronouncement became effective for the Organization: *Accounting Standards Update No. 2018-08, Not-for-Profit Entities (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made ("ASU 2018-08")*.

ASU 2018-08 clarifies and improves guidance for contributions received and contributions made. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities.

The change in accounting principle resulting from ASU 2018-08 was adopted on a modified prospective basis as of September 30, 2020. There was no resulting cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of September 30, 2019.

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.

Contributions

Contributions 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.

OREGON PARKS FOREVER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (Continued)

Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions received with both donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, the type of contribution, and the nature of the fund-raising activity. Management has determined that no allowance for uncollectible accounts is necessary at September 30, 2020.

Cash and Cash Equivalents

Cash and cash equivalents includes checking and money market mutual fund accounts. For purposes of the Statement of Cash Flows, the Organization considers all highly-liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

The Organization holds monies received for parks projects in two separate FDIC insured deposit accounts until spent. Additionally, the Organization holds unspent EIDL loan proceeds of \$100,000 in these accounts. The balance in these accounts at September 30, 2020 was \$165,225.

Property and Equipment

Property and equipment consist of office furniture and equipment individually exceeding \$500 which are recorded at cost if purchased, or at estimated fair value if donated. Depreciation and amortization of buildings, furnishings and equipment is computed by the straight-line method over 3 to 5 years.

Paycheck Protection Program Grant

In response to the global economic impact caused by the coronavirus pandemic, the US Small Business Administration (SBA) created the Paycheck Protection Program (PPP) "forgivable loan" to assist nonprofit organizations and for-profit enterprises with eligible payroll and certain specified operating costs. While originally structured as a loan, in substance these funds were a conditional grant under ASC 958-605. The Organization qualified for a \$38,210 disbursement and met all conditions of the grant by September 30, 2020. The loan was subsequently forgiven, and the resulting grant revenue has been recognized as revenue as of September 30, 2020.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash.

The Organization at times maintains cash deposits in excess of federally insured limits, which constitutes a concentration of credit risk requiring disclosure. The risk is managed by maintaining all deposits in high quality financial institutions. As of September 30, 2020, all amounts were federally insured.

OREGON PARKS FOREVER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

The Organization charges all advertising costs to expense as incurred.

Income Taxes

The Organization has been approved as a tax-exempt organization 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.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized in the statement of functional expenses. Expenses are charged to programs based on direct expenditures incurred. Personnel cost is allocated to programs or supporting services based on the estimated time spent on each. Support costs are allocated to programs based on the proportion of direct salary costs to total costs.

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.

Prior Year Summarized Financial 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 September 30, 2019, from which the summarized information was derived.

NOTE C – LAND HELD AS HISTORICAL TREASURE

During the year ended December 31, 2007, the Organization received and used \$900,000 in contributions to purchase a 22% interest in Iwetemlaykin park, with the remaining 78% purchased by the Oregon Parks and Recreation Department (OPRD). In 2008, the Organization entered into a memorandum of understanding with the parties which clarifies that the land is to be used as a State Park due to its historical value and delegates all responsibilities of owning the land to OPRD. In the event the land is sold, the proceeds from the sale are to be allocated \$900,000 first to the Organization. It is the unwritten intent of the parties that the Organization's portion of the land be sold to the National Parks Service. However, this has been delayed indefinitely due to the current unavailability of funding.

OREGON PARKS FOREVER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE D – NOTE PAYABLE

In May 2020, Oregon Parks Forever obtained a loan from the U.S. Small Business Administration in the amount of \$100,000, pursuant to the Economic Injury Disaster Loan program, which is designed to provide economic relief to nonprofit organizations and businesses that are currently experiencing a temporary loss of revenue due to COVID-19. The note bears interest at 2.75% and requires monthly payments of \$428 beginning in June of 2021, to be applied initially to accrued interest and interest and principal thereafter. Final payment of interest and principal is due in June of 2050. The note is secured by all assets of the Organization.

Future minimum loan payments as of September 30, 2020 are as follows:

Year Ending September 30,	
2021	\$ 2,145
2022	2,357
2023	2,422
2024	2,490
2025	2,559
Thereafter	<u>88,027</u>
Total	<u>\$ 100,000</u>

NOTE E – NET ASSETS WITH DONOR RESTRICTIONS

The Organization's net assets with donor restrictions are subject to the following purpose or time restrictions as of September 30, 2020:

Subject to purpose restrictions:	
Program support	\$ <u>65,625</u>
Total net assets with donor restrictions	<u>\$ 65,625</u>

NOTE F – IN-KIND CONTRIBUTIONS

Donated Services

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in state park improvements. No amounts have been recognized in the accompanying Statement of Activities because the criteria for recognition of such volunteer efforts under generally accepted accounting principles have not been satisfied.

The Sasquatch Agency provided marketing services valued at \$43,200.

OREGON PARKS FOREVER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE G – LIQUIDITY

The following chart represents the Organization's financial assets available to meet cash needs for general expenditures within one year of September 30, 2020:

Financial assets at year-end*	
Cash and cash equivalents	\$ 208,228
Pledges receivable	<u>95</u>
Total financial assets	<u>208,323</u>
Less those unavailable for general expenditure within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with purpose restriction	<u>(65,625)</u>
Total unavailable financial assets	<u>(65,625)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>142,698</u>

* Total assets, less nonfinancial assets (e.g. property and equipment, prepaid expenses)

As part of its liquidity management, the Organization's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Organization invests cash in excess of current requirements in short-term investments.

NOTE H – LEASES

The Organization entered into a new office lease on October 2, 2019. The lease ended September 30, 2020 and automatically renewed for two additional periods of one year each, however the Organization may terminate the lease with six months notice at any time. Monthly rent is \$1,500 thru the lease term.

NOTE I – SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 24, 2021, which is the date the financial statements were available to be issued.

Subsequent to September 30, 2019, the Organization changed its name to Oregon Parks Forever.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple parks and outdoor venues. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

In 2021, the Organization was awarded a second Paycheck Protection Program conditional grant of \$38,210. The terms of the PPP award include interest at 1% and maturity in March 2026.