WILD SALMON CENTER

Audited Consolidated Financial Statements

For the Years Ended
December 31, 2020 and 2019
INDEPENDENT AUDITOR’S REPORT

To the Board of Directors
Wild Salmon Center

We have audited the accompanying consolidated financial statements of Wild Salmon Center (a nonprofit corporation), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of 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 financial position of Wild Salmon Center as of December 31, 2020 and 2019, and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information in Schedules I and II (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.

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated March 25, 2021 on our consideration of Wild Salmon Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Wild Salmon Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Wild Salmon Center's internal control over financial reporting and compliance.

McDonald Jacoby, P.C.
Portland, Oregon
March 25, 2021
## WILD SALMON CENTER
### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
#### December 31, 2020 and 2019

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$4,875,727</td>
<td>$2,858,938</td>
</tr>
<tr>
<td>Pledges receivable, current portion</td>
<td>2,349,403</td>
<td>1,892,503</td>
</tr>
<tr>
<td>Investments</td>
<td>9,881,035</td>
<td>8,532,942</td>
</tr>
<tr>
<td>Prepaid expenses, deposits, and supplies</td>
<td>210,019</td>
<td>156,995</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>17,316,184</td>
<td>13,441,378</td>
</tr>
<tr>
<td>Long-term pledges receivable, net</td>
<td>3,081,778</td>
<td>1,195,832</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>23,832</td>
<td>30,187</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$20,421,794</td>
<td>$14,667,397</td>
</tr>
</tbody>
</table>

### LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$608,222</td>
<td>$578,209</td>
</tr>
<tr>
<td>Refundable advance - Paycheck Protection Program</td>
<td>461,338</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,069,560</td>
<td>578,209</td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Without donor restrictions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesignated</td>
<td>3,844,248</td>
<td>3,842,874</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>23,832</td>
<td>30,187</td>
</tr>
<tr>
<td>Board designated</td>
<td>775,000</td>
<td>775,000</td>
</tr>
<tr>
<td><strong>Total without donor restrictions</strong></td>
<td>4,643,080</td>
<td>4,648,061</td>
</tr>
<tr>
<td>With donor restrictions</td>
<td>14,709,154</td>
<td>9,441,127</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>19,352,234</td>
<td>14,089,188</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>$20,421,794</td>
<td>$14,667,397</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.
WILD SALMON CENTER  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
For the years ended December 31, 2020 and 2019

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>$1,874,814</td>
<td>$8,673,708</td>
<td>$10,548,522</td>
<td>$2,110,839</td>
<td>$4,512,317</td>
<td>$6,623,156</td>
</tr>
<tr>
<td>Donated materials and services</td>
<td>-</td>
<td>5,520</td>
<td>5,520</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>52,151</td>
<td>152,666</td>
<td>204,817</td>
<td>41,999</td>
<td>107,081</td>
<td>149,080</td>
</tr>
<tr>
<td>Change in value of investments</td>
<td>84,509</td>
<td>233,930</td>
<td>318,439</td>
<td>143,123</td>
<td>529,493</td>
<td>672,616</td>
</tr>
<tr>
<td>Other income</td>
<td>236</td>
<td>-</td>
<td>236</td>
<td>229</td>
<td>-</td>
<td>229</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>$5,809,507</td>
<td>$5,268,027</td>
<td>$11,077,534</td>
<td>$6,439,326</td>
<td>$1,005,755</td>
<td>$7,445,081</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Science Program</td>
<td>176,105</td>
<td>-</td>
<td>176,105</td>
<td>173,842</td>
<td>-</td>
<td>173,842</td>
</tr>
<tr>
<td>The Stronghold Fund</td>
<td>181,330</td>
<td>-</td>
<td>181,330</td>
<td>145,075</td>
<td>-</td>
<td>145,075</td>
</tr>
<tr>
<td>Communications and other programs</td>
<td>548,580</td>
<td>-</td>
<td>548,580</td>
<td>621,168</td>
<td>-</td>
<td>621,168</td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td>4,654,709</td>
<td>-</td>
<td>4,654,709</td>
<td>4,879,317</td>
<td>-</td>
<td>4,879,317</td>
</tr>
<tr>
<td>Management and general</td>
<td>421,658</td>
<td>-</td>
<td>421,658</td>
<td>463,950</td>
<td>-</td>
<td>463,950</td>
</tr>
<tr>
<td>Development and fundraising</td>
<td>738,121</td>
<td>-</td>
<td>738,121</td>
<td>834,781</td>
<td>-</td>
<td>834,781</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>5,814,488</td>
<td>-</td>
<td>5,814,488</td>
<td>6,178,048</td>
<td>-</td>
<td>6,178,048</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>(4,981)</td>
<td>5,268,027</td>
<td>5,263,046</td>
<td>261,278</td>
<td>1,005,755</td>
<td>1,267,033</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>4,648,061</td>
<td>9,441,127</td>
<td>14,089,188</td>
<td>4,386,783</td>
<td>8,435,372</td>
<td>12,822,155</td>
</tr>
<tr>
<td>End of year</td>
<td>$4,643,080</td>
<td>$14,709,154</td>
<td>$19,352,234</td>
<td>$4,648,061</td>
<td>$9,441,127</td>
<td>$14,089,188</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.
### Program Services

<table>
<thead>
<tr>
<th>Program Services</th>
<th>North America Program</th>
<th>Western Pacific Network</th>
<th>Science Program</th>
<th>The Stronghold Fund</th>
<th>Communication and Other</th>
<th>Total Program Services</th>
<th>Management and General Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and related expenses</td>
<td>$ 1,325,365</td>
<td>$ 224,440</td>
<td>$ 136,977</td>
<td>$ 137,766</td>
<td>$ 368,964</td>
<td>$ 2,193,512</td>
<td>$ 270,283</td>
<td>$ 3,065,404</td>
</tr>
<tr>
<td>Subgrants</td>
<td>1,388,941</td>
<td>233,882</td>
<td>13,129</td>
<td>-</td>
<td>-</td>
<td>1,635,952</td>
<td>-</td>
<td>1,635,952</td>
</tr>
<tr>
<td>Professional services</td>
<td>471,420</td>
<td>4,699</td>
<td>4,890</td>
<td>36,622</td>
<td>69,897</td>
<td>587,528</td>
<td>62,444</td>
<td>651,440</td>
</tr>
<tr>
<td>Advertising and promotion</td>
<td>578</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rent and occupancy</td>
<td>38,869</td>
<td>11,831</td>
<td>14,678</td>
<td>6,338</td>
<td>38,123</td>
<td>109,839</td>
<td>17,893</td>
<td>168,128</td>
</tr>
<tr>
<td>Travel</td>
<td>23,622</td>
<td>(347)</td>
<td>2,050</td>
<td>-</td>
<td>4,908</td>
<td>30,233</td>
<td>229</td>
<td>47,748</td>
</tr>
<tr>
<td>Conference</td>
<td>1,265</td>
<td>299</td>
<td>125</td>
<td>-</td>
<td>143</td>
<td>1,834</td>
<td>1</td>
<td>757</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>2,600</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,600</td>
<td>22,975</td>
<td>25,774</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>3,690</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,522</td>
<td>1,628</td>
<td>11,629</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>306</td>
<td>611</td>
<td>68</td>
<td>581</td>
<td>16,139</td>
<td>17,705</td>
<td>30,712</td>
<td>63,409</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$ 3,269,995</td>
<td>$ 478,699</td>
<td>$ 176,105</td>
<td>$ 181,330</td>
<td>$ 548,580</td>
<td>$ 4,654,709</td>
<td>$ 421,658</td>
<td>$ 5,814,488</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.
## WILD SALMON CENTER
### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
#### For the year ended December 31, 2019

### Program Services

<table>
<thead>
<tr>
<th>Program Services</th>
<th>North America</th>
<th>Western Pacific</th>
<th>The Science Program Fund</th>
<th>The Stronghold Network Program Fund</th>
<th>Communication and Other</th>
<th>Total Program Services</th>
<th>Total Management and General Fundraising</th>
<th>Total Development and Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and related expenses</td>
<td>$ 1,155,914</td>
<td>$ 224,178</td>
<td>$ 81,890</td>
<td>$ 134,283</td>
<td>$ 325,090</td>
<td>$ 1,921,355</td>
<td>$ 322,242</td>
<td>$ 535,425</td>
<td>$ 2,779,022</td>
</tr>
<tr>
<td>Subgrants</td>
<td>1,454,948</td>
<td>198,000</td>
<td>50,000</td>
<td>-</td>
<td>-</td>
<td>1,702,948</td>
<td>-</td>
<td>-</td>
<td>1,702,948</td>
</tr>
<tr>
<td>Professional services</td>
<td>594,904</td>
<td>81,968</td>
<td>8,131</td>
<td>1,725</td>
<td>217,937</td>
<td>1,001,745</td>
<td>50,367</td>
<td>46,713</td>
<td>1,001,745</td>
</tr>
<tr>
<td>Advertising and promotion</td>
<td>5,606</td>
<td>318</td>
<td>-</td>
<td>-</td>
<td>14,455</td>
<td>20,379</td>
<td>-</td>
<td>27,166</td>
<td>47,545</td>
</tr>
<tr>
<td>Rent and occupancy</td>
<td>36,639</td>
<td>12,511</td>
<td>3,562</td>
<td>6,702</td>
<td>34,369</td>
<td>95,583</td>
<td>19,689</td>
<td>42,177</td>
<td>157,449</td>
</tr>
<tr>
<td>Office and telecommunication</td>
<td>17,780</td>
<td>3,057</td>
<td>2,393</td>
<td>412</td>
<td>9,881</td>
<td>33,523</td>
<td>22,510</td>
<td>27,708</td>
<td>83,741</td>
</tr>
<tr>
<td>Travel</td>
<td>66,166</td>
<td>59,785</td>
<td>25,964</td>
<td>-</td>
<td>6,725</td>
<td>158,640</td>
<td>3,366</td>
<td>86,345</td>
<td>248,351</td>
</tr>
<tr>
<td>Conference</td>
<td>10,425</td>
<td>1,907</td>
<td>-</td>
<td>-</td>
<td>963</td>
<td>13,295</td>
<td>-</td>
<td>43,913</td>
<td>57,208</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>4,498</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>19,630</td>
<td>188</td>
<td>24,316</td>
<td>-</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>6,446</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,225</td>
<td>15,671</td>
<td>481</td>
<td>7,643</td>
<td>23,795</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>2,739</td>
<td>1,443</td>
<td>102</td>
<td>1,953</td>
<td>2,523</td>
<td>8,760</td>
<td>25,665</td>
<td>17,503</td>
<td>51,928</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$ 3,351,567</td>
<td>$ 587,665</td>
<td>$ 173,842</td>
<td>$ 145,075</td>
<td>$ 621,168</td>
<td>$ 4,879,317</td>
<td>$ 463,950</td>
<td>$ 834,781</td>
<td>$ 6,178,048</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.
WILD SALMON CENTER  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2020 and 2019

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from grants, contracts, and contributions</td>
<td>$8,047,775</td>
<td>$6,592,603</td>
</tr>
<tr>
<td>Refundable advance - Paycheck Protection Program</td>
<td>461,338</td>
<td>-</td>
</tr>
<tr>
<td>Other cash receipts</td>
<td>236</td>
<td>229</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>204,817</td>
<td>149,080</td>
</tr>
<tr>
<td>Cash paid to employees and suppliers</td>
<td>(3,825,624)</td>
<td>(5,909,105)</td>
</tr>
<tr>
<td>Net cash flows from operating activities</td>
<td>2,888,542</td>
<td>832,807</td>
</tr>
</tbody>
</table>

| Cash flows from investing activities: |              |              |
| Proceeds from the sale of investments | 1,238,066    | 355,000      |
| Purchases of investments | (2,109,819)  | (2,248,380)  |
| Additions to property and equipment | -            | (31,776)     |
| Net cash flows from investing activities | (871,753)   | (1,925,156)  |

Net change in cash and cash equivalents | 2,016,789    | (1,092,349)  |

Cash and cash equivalents - beginning of year | 2,858,938    | 3,951,287    |

Cash and cash equivalents - end of year | $4,875,727 | $2,858,938   |

See notes to consolidated financial statements.
1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization
Wild Salmon Center (the Organization or WSC), founded in 1992, is an incorporated association. The mission of Wild Salmon Center is to promote the conservation and sustainable use of wild salmon ecosystems across the Pacific Rim. WSC identifies science-based solutions to sustain wild salmonids and the human communities and livelihoods that depend on them. The primary source of revenue is contributions from foundations, individuals, government and businesses.

The Organization’s primary programs include:

**North America Program**: The North America Program conducts conservation activities in the states of California, Oregon, Washington, and Alaska as well as British Columbia, Canada. Through collaboration with public and private partners, this Program focuses on building and leading coalitions to ensure the long-term abundance and viability of North America’s strongest remaining wild salmon and steelhead populations.

**Western Pacific Network**: The Western Pacific Network is working to ensure effective long-term protection of a network of salmon strongholds in Russia. In collaboration with partners, this Program conducts conservation activities in Kamchatka, Sakhalin Island, and in the Khabarovsk region in the Russian Far East.

**Science Program**: Wild Salmon Center’s Science Program conducts research and draws together the best available information and data, so that the Organization and its partners can best conserve the North Pacific’s wild salmon ecosystems.

**The Stronghold Fund**: WSC has established an impact fund, to be spent on high priority wild salmon conservation and partnership initiatives throughout the Pacific Rim.

Consolidated Financial Presentation
The consolidated financial statements include the accounts of Wild Salmon Center and The Stronghold Fund, a nonprofit organization established to facilitate one of WSC’s programs (collectively, the Organization). All inter-organization transactions and balances have been eliminated.
1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Net Assets
Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

- Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents
For the purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments available for current use with maturities of three months or less, at the time of purchase, to be cash equivalents.

Pledges Receivable
Pledges receivable are reported at the amount management of the Organization expects to collect on balances outstanding at year-end. Pledges receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Based on an assessment of the credit history with those having outstanding balances and current relationships with them, management has concluded that realization losses on balances outstanding at year-end will be immaterial.

Investments
Investments are carried at fair value. Investment income earned on donor restricted investments is reported as an increase in net assets without donor restrictions unless restricted by the donor in which case it is classified according to the nature of the restriction until appropriated for expenditure. Cash and equivalents included with investments are considered investments.

Property and Equipment
Additions to property and equipment with values exceeding $5,000 are capitalized. Property and equipment purchased are recorded at cost. Donated assets are reflected as contributions at their estimated values on the date received. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.
1. **NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Refundable Advance – Paycheck Protection Program**
The Paycheck Protection Program (PPP) loan guaranteed by the Small Business Administration (SBA) is accounted for as a conditional advance and accrues interest at 1%. The advance may be forgiven partially or in its entirety if certain conditions are met, including incurrence of allowable qualifying expenses (mostly personnel and occupancy costs) and acceptance and approval of the forgiveness application by the lender. Upon satisfaction of the conditions, the advance will be recognized as revenue.

**Revenue Recognition**
Revenues from various sources are recognized as follows:

**Contributions:** Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. 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 substantially met. Bequests are recorded as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable.

**Government Grants:** A portion of the Organization’s revenue is derived from cost-reimbursable contracts and grants, which are conditional upon certain performance requirements and/or incurring 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 are reported as advances on government grants in the consolidated statements of financial position. The Organization has been awarded cost-reimbursable grants of approximately $2.9 million for the period through December 31, 2023 that have not been recognized at December 31, 2020 because qualifying expenditures have not yet been incurred. The Organization has not received any advances on these grants as of December 31, 2020.

**Donated Materials and Services:** 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 integral part of the Organization’s activities. The Organization reports as revenue the fair value of contributed services received where the services require specialized skills, are provided by individuals possessing these skills, and represent services that would have been purchased had they not been donated.

Some of the Organization’s operations are staffed by volunteers. These volunteer services have not been recognized in the accompanying consolidated financial statements since the criteria for recording these contributed services have not been met.
1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

   Functional Expenses
   The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and related costs, occupancy, office and telecommunications, and other, which are allocated on the basis of estimates of time and effort.

   Income Taxes
   Wild Salmon Center and The Stronghold Fund are exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and applicable state law. No provision for income taxes is made in the accompanying financial statements, as the Organization has no activities subject to unrelated business income tax. At times, the Organization may engage in lobbying activities. To the extent that activities exceed allowable limits, the Organization accrues estimated excise taxes. Accrued amounts included in the financial statements are not material. The Organization is not a private foundation.

   The Organization follows the provisions of FASB ASC Topic 740 Accounting for Uncertainty in Income Taxes. Management has evaluated the Organization’s tax positions and concluded that there are no uncertain tax positions that require adjustment to the consolidated financial statements to comply with provisions of this Topic.

   Use of Estimates
   The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

   Subsequent Events
   The Organization has evaluated all subsequent events through March 25, 2021, the date the consolidated financial statements were available to be issued.
2. AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use.

Financial assets consist of the following at December 31:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$4,875,727</td>
<td>$2,858,938</td>
</tr>
<tr>
<td>Pledges receivable, current</td>
<td>2,349,403</td>
<td>1,892,503</td>
</tr>
<tr>
<td>Investments</td>
<td>9,881,035</td>
<td>8,532,942</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>17,106,165</td>
<td>13,284,383</td>
</tr>
</tbody>
</table>

Less amounts unavailable for general expenditure:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets with donor restrictions</td>
<td>(11,627,376)</td>
<td>(8,245,295)</td>
</tr>
<tr>
<td>Board designations</td>
<td>(775,000)</td>
<td>(775,000)</td>
</tr>
<tr>
<td>Financial assets available for general expenditure</td>
<td>$4,703,789</td>
<td>$4,264,088</td>
</tr>
</tbody>
</table>

Board designated funds may be released for spending upon approval of the Board. See Note 7 regarding board designated net assets. See Note 6 for information about the Organization’s line of credit.

3. INVESTMENTS

Investments are carried at fair value and consist of the following at December 31:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash - bank deposits</td>
<td>$156,654</td>
<td>$111,183</td>
</tr>
<tr>
<td>Cash equivalents - money market</td>
<td>550,000</td>
<td>775,000</td>
</tr>
<tr>
<td>U.S. treasury securities</td>
<td>2,166,567</td>
<td>2,077,179</td>
</tr>
<tr>
<td>Agency securities</td>
<td>320,162</td>
<td>-</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>2,646,997</td>
<td>1,890,700</td>
</tr>
<tr>
<td>Equities</td>
<td>4,040,655</td>
<td>3,678,880</td>
</tr>
<tr>
<td>Total investments</td>
<td>$9,881,035</td>
<td>$8,532,942</td>
</tr>
</tbody>
</table>
4. PLEDGES RECEIVABLE

Pledges receivable represent unconditional promises to give that are unsecured. Management believes that all amounts are fully collectible and, therefore, no allowance for uncollectible balances has been recorded. Pledges receivable are due as follows at December 31:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due within one year</td>
<td>$2,349,403</td>
<td>$1,892,503</td>
</tr>
<tr>
<td>Due in two to five years</td>
<td>3,326,000</td>
<td>1,325,000</td>
</tr>
<tr>
<td>Over five years</td>
<td>100,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Total pledges receivable</td>
<td>5,775,403</td>
<td>3,242,503</td>
</tr>
<tr>
<td>Less discount for long-term pledges</td>
<td>344,222</td>
<td>154,168</td>
</tr>
<tr>
<td>Net pledges receivable</td>
<td>$5,431,181</td>
<td>$3,088,335</td>
</tr>
</tbody>
</table>

Current                      | $2,349,403    | $1,892,503    |
Long-term                    | 3,081,778     | 1,195,832     |
Net pledges receivable       | $5,431,181    | $3,088,335    |

Long-term pledges are discounted to present value at a rate of 5%.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture</td>
<td>$163,271</td>
<td>$163,271</td>
</tr>
<tr>
<td>Office equipment</td>
<td>34,636</td>
<td>34,636</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>29,257</td>
<td>29,257</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>67,545</td>
<td>67,545</td>
</tr>
<tr>
<td></td>
<td>294,709</td>
<td>294,709</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>270,877</td>
<td>264,522</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>$23,832</td>
<td>$30,187</td>
</tr>
</tbody>
</table>

Depreciation expense totaled $6,355 and $1,589 for the years ended December 31, 2020 and 2019, respectively.
6. **LINE OF CREDIT**

The Organization has a $500,000 line of credit with Wells Fargo Bank. Interest on the outstanding balance is payable monthly at a floating rate equal to 1.0% over the bank prime rate or the floor rate of 5.75%, whichever is greater (5.75% as of December 31, 2020 and 2019). The line of credit is secured by all supplies, receivables and equipment of the Organization and matures on June 1, 2021. There were no advances on the line at December 31, 2020 and 2019.

7. **BOARD DESIGNATED NET ASSETS**

Board designated net assets are held as an operating reserve and total $775,000 at December 31, 2020 and 2019.

8. **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions, including time restricted pledges, are restricted to the following activities at December 31:

<table>
<thead>
<tr>
<th>Activity</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Stronghold Fund</td>
<td>$12,331,772</td>
<td>$8,004,377</td>
</tr>
<tr>
<td>North America Program</td>
<td>2,039,929</td>
<td>1,255,178</td>
</tr>
<tr>
<td>Western Pacific Network</td>
<td>293,332</td>
<td>-</td>
</tr>
<tr>
<td>Salmon Science</td>
<td>41,417</td>
<td>152,675</td>
</tr>
<tr>
<td>Other purposes</td>
<td>2,704</td>
<td>28,897</td>
</tr>
<tr>
<td><strong>Total net assets with donor restrictions</strong></td>
<td><strong>$14,709,154</strong></td>
<td><strong>$9,441,127</strong></td>
</tr>
</tbody>
</table>

9. **EMPLOYEE BENEFIT PLAN**

The Organization has a defined contribution salary deferral 401(K) plan covering all eligible full-time employees based in the United States. Under the plan, these employees are eligible to contribute to the plan after six months of employment. Employees may contribute up to the statutory limit of their pre-tax earnings each period and the Organization will match employee contributions up to 7.5%. The Organization’s contributions to the plan during 2020 and 2019 totaled approximately $132,600 and $113,600, respectively.
10. LEASE COMMITMENTS

The Organization leases its Portland office facilities under an agreement expiring July 31, 2022. Current monthly rent is $11,757 subject to annual increases. The Organization also leases office equipment under operating leases expiring through December 2020 and December 2021 with current monthly rent totaling $760.

Total rent expense approximated $148,200 and $144,600 for 2020 and 2019, respectfully.

Future minimum lease payments under non-cancelable leases are as follows:

<table>
<thead>
<tr>
<th>Year ending December 31</th>
<th>2021</th>
<th>2022</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$151,000</td>
<td>$84,400</td>
<td>$235,400</td>
</tr>
</tbody>
</table>

11. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in several financial institutions. Balances in each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Cash balances in excess of insured limits were approximately $4.62 million and $2.34 million at December 31, 2020 and 2019, respectively.

Credit risk for pledges receivable is concentrated in that 71% of the balance at December 31, 2020 is due from four sources including three individuals, two who are board members, and one government entity. At December 31, 2019, 65% of the balance is due from four sources including three individuals, one of which is a board member and one government entity. In addition, one donor provided approximately 11% of the Organization's total revenue in 2020.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.
12. FAIR VALUE MEASUREMENTS

Assets and liabilities, including investments, are recorded at fair value in the statement of financial position and are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets and liabilities.

**Level 2:** Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets, or quoted market prices for identical assets or liabilities in inactive markets.

**Level 3:** Unobservable inputs reflecting management’s own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

Fair values of assets measured on a recurring basis are as follows at December 31:

<table>
<thead>
<tr>
<th></th>
<th>Fair Value</th>
<th>Level 1</th>
<th>Level 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 31, 2020</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money market</td>
<td>$550,000</td>
<td>$550,000</td>
<td>-</td>
</tr>
<tr>
<td>U.S. treasury securities</td>
<td>2,166,567</td>
<td>2,166,567</td>
<td>-</td>
</tr>
<tr>
<td>Agency Securities</td>
<td>320,162</td>
<td>-</td>
<td>320,162</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>2,646,997</td>
<td>-</td>
<td>2,646,997</td>
</tr>
<tr>
<td>Equity securities</td>
<td>3,035,197</td>
<td>3,035,197</td>
<td>-</td>
</tr>
<tr>
<td>Exchange traded funds</td>
<td>959,055</td>
<td>959,055</td>
<td>-</td>
</tr>
<tr>
<td>Real estate investment trust</td>
<td>46,403</td>
<td>-</td>
<td>46,403</td>
</tr>
<tr>
<td><strong>December 31, 2019</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money market</td>
<td>$775,000</td>
<td>$773,000</td>
<td>-</td>
</tr>
<tr>
<td>U.S. treasury securities</td>
<td>2,077,179</td>
<td>2,077,179</td>
<td>-</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>1,890,700</td>
<td>-</td>
<td>1,890,700</td>
</tr>
<tr>
<td>Equity securities</td>
<td>3,256,243</td>
<td>3,256,243</td>
<td>-</td>
</tr>
<tr>
<td>Exchange traded funds</td>
<td>396,783</td>
<td>396,783</td>
<td>-</td>
</tr>
<tr>
<td>Real estate investment trust</td>
<td>25,854</td>
<td>-</td>
<td>25,854</td>
</tr>
</tbody>
</table>

Fair value of investments in U.S. treasury and equity securities are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value for investments in corporate bonds and the real estate investment trust are provided by custodians and are based on pricing models that incorporate available trade, bid and other market information.
13. CONTINGENCIES AND UNCERTAINTY

Amounts received or receivable from various contracting agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability if so determined in the future. It is management’s belief that no significant amounts received or receivable will be required to be returned in the future.

The Organization has been impacted by the effects of the world-wide coronavirus pandemic. The Organization is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Organization’s financial position is not known.
SUPPLEMENTARY INFORMATION
WILD SALMON CENTER  
SCHEDULE I - CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
December 31, 2020  

<table>
<thead>
<tr>
<th>Wild Salmon Center</th>
<th>The Stronghold Eliminating Fund</th>
<th>Eliminating Entries</th>
<th>Consolidated Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$3,415,522</td>
<td>$1,460,205</td>
<td>$-</td>
</tr>
<tr>
<td>Pledges receivable, current portion</td>
<td>1,374,403</td>
<td>975,000</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>2,832,812</td>
<td>7,048,223</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid expenses, deposits, and supplies</td>
<td>210,019</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$7,832,756</td>
<td>$9,483,428</td>
<td>-</td>
</tr>
<tr>
<td>Long-term pledges receivable, net</td>
<td>214,568</td>
<td>2,867,210</td>
<td>-</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>23,832</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$8,071,156</strong></td>
<td><strong>$12,350,638</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND NET ASSETS** |                                |                     |                   |
| **Current liabilities:**       |                                |                     |                   |
| Accounts payable and accrued expenses | $589,356 | $18,866 | $- | $608,222 |
| Deferred revenue | - | - | - | - |
| Refundable advance - Paycheck Protection F | 461,338 | - | - | 461,338 |
| **Total liabilities** | **1,050,694** | **18,866** | - | **1,069,560** |

| **Net assets:**                |                                |                     |                   |
| Without donor restrictions:    |                                |                     |                   |
| Undesignated | 3,844,248 | - | - | 3,844,248 |
| Property and equipment, net | 23,832 | - | - | 23,832 |
| Board designated | 775,000 | - | - | 775,000 |
| **Total without donor restrictions** | **4,643,080** | - | - | **4,643,080** |
| With donor restrictions | 2,377,382 | 12,331,772 | - | 14,709,154 |
| **Total net assets** | **7,020,462** | **12,331,772** | - | **19,352,234** |

| **TOTAL LIABILITIES AND NET ASSETS** | **$8,071,156** | **$12,350,638** | - | **$20,421,794** |

See independent auditor’s report.
## WILD SALMON CENTER

**SCHEDULE II - CONSOLIDATING STATEMENT OF ACTIVITIES**

For the year ended December 31, 2020

<table>
<thead>
<tr>
<th></th>
<th>Wild Salmon Center</th>
<th>Stronghold Fund</th>
<th>Eliminating Entries</th>
<th>Consolidated Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue and support:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>$6,426,393</td>
<td>$4,561,879</td>
<td>$(439,750)</td>
<td>$10,548,522</td>
</tr>
<tr>
<td>Donated materials and services</td>
<td>$5,520</td>
<td>-</td>
<td>-</td>
<td>$5,520</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>$52,151</td>
<td>152,666</td>
<td>-</td>
<td>$204,817</td>
</tr>
<tr>
<td>Change in value of investments</td>
<td>$84,509</td>
<td>233,930</td>
<td>-</td>
<td>$318,439</td>
</tr>
<tr>
<td>Other income</td>
<td>236</td>
<td>-</td>
<td>-</td>
<td>236</td>
</tr>
<tr>
<td><strong>Total revenue and support</strong></td>
<td>$6,568,809</td>
<td>4,948,475</td>
<td>$(439,750)</td>
<td>$11,077,534</td>
</tr>
</tbody>
</table>

| **Expenses:**                  |                    |                 |                     |                    |
| Program services:              |                    |                 |                     |                    |
| North America Program          | 3,269,995          | -               | -                   | 3,269,995          |
| Western Pacific Network        | 478,699            | -               | -                   | 478,699            |
| Science Program                | 176,105            | -               | -                   | 176,105            |
| The Stronghold Fund            | -                  | 621,080         | $(439,750)          | 181,330            |
| Communications and other programs | 548,580          | -               | -                   | 548,580            |
| **Total program services**     | 4,473,379          | 621,080         | $(439,750)          | 4,654,709          |
| Management and general         | 421,658            | -               | -                   | 421,658            |
| Development and fundraising    | 738,121            | -               | -                   | 738,121            |
| **Total expenses**             | 5,633,158          | 621,080         | $(439,750)          | 5,814,488          |

| Change in net assets           | 935,651            | 4,327,395       | -                   | 5,263,046          |

| **Net assets:**                |                    |                 |                     |                    |
| Beginning of year              | 6,084,811          | 8,004,377       | -                   | 14,089,188         |

| End of year                    | $7,020,462          | $12,331,772     | -                   | $19,352,234        |

See independent auditor’s report.