

WILD SALMON CENTER

Audited Consolidated Financial Statements

For the Years Ended
December 31, 2021 and 2020



McDONALD JACOBS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wild Salmon Center

Opinion

We have audited the accompanying consolidated financial statements of Wild Salmon Center (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, 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.

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, 2021 and 2020, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Wild Salmon Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wild Salmon Center's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 21, 2022 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 Jacobson, P.C.

Portland, Oregon
March 21, 2022

WILD SALMON CENTER
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,375,445	\$ 4,875,727
Pledges receivable, current portion	2,264,417	2,349,403
Investments	11,956,428	9,881,035
Prepaid expenses, deposits, and other assets	250,640	210,019
Total current assets	19,846,930	17,316,184
Long-term pledges receivable, net	2,399,460	3,081,778
Property and equipment, net	17,477	23,832
TOTAL ASSETS	\$ 22,263,867	\$ 20,421,794
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 595,228	\$ 608,222
Refundable advance - Paycheck Protection Program	-	461,338
Total liabilities	595,228	1,069,560
Net assets:		
Without donor restrictions:		
Undesignated	5,038,092	3,844,248
Property and equipment, net	17,477	23,832
Board designated	775,000	775,000
Total without donor restrictions	5,830,569	4,643,080
With donor restrictions	15,838,070	14,709,154
Total net assets	21,668,639	19,352,234
TOTAL LIABILITIES AND NET ASSETS	\$ 22,263,867	\$ 20,421,794

See notes to consolidated financial statements.

WILD SALMON CENTER
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the years ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Grants and contributions	\$ 3,151,873	\$ 5,015,026	\$ 8,166,899	\$ 1,874,814	\$ 8,673,708	\$ 10,548,522
Donated materials and services	-	-	-	-	5,520	5,520
Investment income, net	49,847	155,301	205,148	52,151	152,666	204,817
Change in value of investments	220,780	659,695	880,475	84,509	233,930	318,439
Other income	189	46,352	46,541	236	-	236
Net assets released from restrictions:						
Satisfaction of purpose and time restrictions	4,747,458	(4,747,458)	-	3,797,797	(3,797,797)	-
Total revenue and support	<u>8,170,147</u>	<u>1,128,916</u>	<u>9,299,063</u>	<u>5,809,507</u>	<u>5,268,027</u>	<u>11,077,534</u>
Expenses:						
Program services:						
North America Program	3,649,125	-	3,649,125	3,269,995	-	3,269,995
Western Pacific Network	521,133	-	521,133	478,699	-	478,699
Science Program	304,598	-	304,598	176,105	-	176,105
The Stronghold Fund	202,569	-	202,569	181,330	-	181,330
Communications and other programs	794,101	-	794,101	548,580	-	548,580
Total program services	5,471,526	-	5,471,526	4,654,709	-	4,654,709
Management and general	528,908	-	528,908	421,658	-	421,658
Development and fundraising	982,224	-	982,224	738,121	-	738,121
Total expenses	<u>6,982,658</u>	<u>-</u>	<u>6,982,658</u>	<u>5,814,488</u>	<u>-</u>	<u>5,814,488</u>
Change in net assets	1,187,489	1,128,916	2,316,405	(4,981)	5,268,027	5,263,046
Net assets:						
Beginning of year	<u>4,643,080</u>	<u>14,709,154</u>	<u>19,352,234</u>	<u>4,648,061</u>	<u>9,441,127</u>	<u>14,089,188</u>
End of year	<u>\$ 5,830,569</u>	<u>\$ 15,838,070</u>	<u>\$ 21,668,639</u>	<u>\$ 4,643,080</u>	<u>\$ 14,709,154</u>	<u>\$ 19,352,234</u>

See notes to consolidated financial statements.

WILD SALMON CENTER
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2021

	Program Services						Management and General	Development and Fundraising	Total
	North America Program	Western Pacific Network	Science Program	The Stronghold Fund	Communi- cation and Other	Total Program Services			
Salaries and related expenses	\$ 1,616,414	\$ 244,320	\$ 222,319	\$ 148,272	\$ 398,150	\$ 2,629,475	\$ 359,785	\$ 713,831	\$ 3,703,091
Subgrants	1,488,571	259,860	24,223	-	7,000	1,779,654	-	17,500	1,797,154
Professional services	433,642	597	13,287	45,263	272,357	765,146	70,204	83,439	918,789
Advertising and promotion	16,351	-	3,023	-	18,468	37,842	-	38,195	76,037
Rent and occupancy	44,149	10,797	12,339	5,900	34,457	107,642	17,135	39,150	163,927
Office and telecommunication	15,740	1,240	11,042	419	24,024	52,465	13,318	33,526	99,309
Travel	22,751	653	11,361	-	570	35,335	8,071	18,447	61,853
Conference	2,409	201	3,051	-	-	5,661	114	6,501	12,276
Insurance	-	2,600	76	-	-	2,676	23,540	206	26,422
Dues and subscriptions	6,493	-	3,650	212	21,955	32,310	1,719	6,761	40,790
Other operating costs	<u>2,605</u>	<u>865</u>	<u>227</u>	<u>2,503</u>	<u>17,120</u>	<u>23,320</u>	<u>35,022</u>	<u>24,668</u>	<u>83,010</u>
Total expenses	<u>\$ 3,649,125</u>	<u>\$ 521,133</u>	<u>\$ 304,598</u>	<u>\$ 202,569</u>	<u>\$ 794,101</u>	<u>\$ 5,471,526</u>	<u>\$ 528,908</u>	<u>\$ 982,224</u>	<u>\$ 6,982,658</u>

See notes to consolidated financial statements.

WILD SALMON CENTER
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2020

	Program Services						Management and General	Development and Fundraising	Total
	North America Program	Western Pacific Network	Science Program	The Stronghold Fund	Communi- cation and Other	Total Program Services			
Salaries and related expenses	\$ 1,325,365	\$ 224,440	\$ 136,977	\$ 137,766	\$ 368,964	\$ 2,193,512	\$ 270,283	\$ 601,609	\$ 3,065,404
Subgrants	1,388,941	233,882	13,129	-	-	1,635,952	-	-	1,635,952
Professional services	471,420	4,699	4,890	36,622	69,897	587,528	62,444	1,468	651,440
Advertising and promotion	578	-	-	-	18,711	19,289	203	26,332	45,824
Rent and occupancy	38,869	11,831	14,678	6,338	38,123	109,839	17,893	40,396	168,128
Office and telecommunication	15,939	684	4,188	23	18,171	39,005	15,290	23,453	77,748
Travel	23,622	(347)	2,050	-	4,908	30,233	229	17,286	47,748
Conference	1,265	299	125	-	145	1,834	1	757	2,592
Insurance	-	2,600	-	-	-	2,600	22,975	199	25,774
Dues and subscriptions	3,690	-	-	-	13,522	17,212	1,628	11,629	30,469
Other operating costs	<u>306</u>	<u>611</u>	<u>68</u>	<u>581</u>	<u>16,139</u>	<u>17,705</u>	<u>30,712</u>	<u>14,992</u>	<u>63,409</u>
Total expenses	<u>\$ 3,269,995</u>	<u>\$ 478,699</u>	<u>\$ 176,105</u>	<u>\$ 181,330</u>	<u>\$ 548,580</u>	<u>\$ 4,654,709</u>	<u>\$ 421,658</u>	<u>\$ 738,121</u>	<u>\$ 5,814,488</u>

See notes to consolidated financial statements.

WILD SALMON CENTER
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash received from grants, contracts, and contributions	\$ 8,890,078	\$ 8,047,775
Refundable advance - Paycheck Protection Program	-	461,338
Other cash receipts	46,541	236
Investment earnings	205,148	204,817
Cash paid to employees and suppliers	<u>(7,491,256)</u>	<u>(5,825,624)</u>
Net cash flows from operating activities	<u>1,650,511</u>	<u>2,888,542</u>
 Cash flows from investing activities:		
Proceeds from the sale of investments	2,139,793	1,238,066
Purchases of investments	<u>(3,290,586)</u>	<u>(2,109,819)</u>
Net cash flows from investing activities	<u>(1,150,793)</u>	<u>(871,753)</u>
 Net change in cash and cash equivalents	499,718	2,016,789
 Cash and cash equivalents - beginning of year	<u>4,875,727</u>	<u>2,858,938</u>
 Cash and cash equivalents - end of year	<u>\$ 5,375,445</u>	<u>\$ 4,875,727</u>

See notes to consolidated financial statements.

WILD SALMON CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

I. 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.

WILD SALMON CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

I. 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. Management considers history with donors, and current economic and industry trends when determining the collectability of specific accounts. As a result, management determined that an allowance for doubtful accounts is not necessary.

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.

WILD SALMON CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

I. 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. The Organization received a PPP loan during the year ended December 31, 2020, satisfied the conditions during 2021 and \$461,338 was 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 \$3.1 million for the period through December 31, 2023 that have not been recognized at December 31, 2021 because qualifying expenditures have not yet been incurred. The Organization has not received any advances on these grants as of December 31, 2021.

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.

WILD SALMON CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

I. 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 21, 2022, the date the consolidated financial statements were available to be issued.

WILD SALMON CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

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:

	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 5,375,445	\$ 4,875,727
Pledges receivable, current	2,264,417	2,349,403
Investments	11,956,428	9,881,035
Total financial assets	19,596,290	17,106,165
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions	(13,438,610)	(11,627,376)
Board designations	(775,000)	(775,000)
Financial assets available for general expenditure	\$ 5,382,680	\$ 4,703,789

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:

	2021	2020
Cash - bank deposits	\$ 456,457	\$ 156,654
Cash equivalents - money market	550,000	550,000
U.S. treasury securities	3,073,311	2,166,567
Agency securities	276,644	320,162
Corporate bonds	2,836,800	2,646,997
Equities	4,763,216	4,040,655
Total investments	\$ 11,956,428	\$ 9,881,035

WILD SALMON CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

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:

	<u>2021</u>	<u>2020</u>
Due within one year	\$ 2,264,417	\$ 2,349,403
Due in two to five years	2,635,000	3,326,000
Over five years	<u>-</u>	<u>100,000</u>
Total pledges receivable	4,899,417	5,775,403
Less discount for long-term pledges	<u>235,540</u>	<u>344,222</u>
Net pledges receivable	<u>\$ 4,663,877</u>	<u>\$ 5,431,181</u>
Current	\$ 2,264,417	\$ 2,349,403
Long-term	<u>2,399,460</u>	<u>3,081,778</u>
Net pledges receivable	<u>\$ 4,663,877</u>	<u>\$ 5,431,181</u>

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:

	<u>2021</u>	<u>2020</u>
Furniture	\$ 163,271	\$ 163,271
Office equipment	34,636	34,636
Computer equipment	29,257	29,257
Leasehold improvements	<u>67,545</u>	<u>67,545</u>
	294,709	294,709
Less accumulated depreciation	<u>277,232</u>	<u>270,877</u>
Property and equipment, net	<u>\$ 17,477</u>	<u>\$ 23,832</u>

Depreciation expense totaled \$6,355 for the years ended December 31, 2021 and 2020.

WILD SALMON CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

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 0.18% over the bank prime rate or the floor rate of 5.75%, whichever is greater (5.75% as of December 31, 2021 and 2020). The line of credit is secured by all supplies, receivables and equipment of the Organization and matures on August 1, 2022. There were no advances on the line at December 31, 2021 and 2020.

7. BOARD DESIGNATED NET ASSETS

Board designated net assets are held as an operating reserve and total \$775,000 at December 31, 2021 and 2020.

8. NET ASSETS WITH DONOR RESTRICTIONS

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

	2021	2020
The Stronghold Fund	\$ 13,218,746	\$ 12,331,772
North America Program	1,931,787	2,039,929
Western Pacific Network	115,014	293,332
Salmon Science	572,523	41,417
Other purposes	-	2,704
Total net assets with donor restrictions	\$ 15,838,070	\$ 14,709,154

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 2021 and 2020 totaled approximately \$157,200 and \$132,600, respectively.

WILD SALMON CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

10. LEASE COMMITMENTS

The Organization leases its Portland office facilities under an agreement expiring July 31, 2022. Current monthly rent is \$12,054. The Organization also leases office equipment under operating leases expiring through July 2022 and June 2024 with current monthly rent totaling \$643.

Total rent expense approximated \$150,900 and \$148,200 for 2021 and 2020, respectfully.

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

Year ending December 31, 2022	\$ 89,200
2023	700
2024	<u>300</u>
Total	<u>\$ 90,200</u>

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 \$4.44 million and \$4.36 million at December 31, 2021 and 2020, respectively.

Credit risk for pledges receivable is concentrated in that 71% of the balance is due from four sources including three individuals, two who are board members, and one government entity at December 31, 2021 and 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.

WILD SALMON CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

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:

	Fair Value	Level 1	Level 2
<u>December 31, 2021</u>			
Investments:			
Money market fund	\$ 550,000	\$ 550,000	\$ -
U.S. treasury securities	3,073,311	3,073,311	-
Agency Securities	276,644	-	276,644
Corporate bonds	2,836,800	-	2,836,800
Equity securities	3,669,821	3,669,821	-
Exchange traded funds	925,262	925,262	-
Real estate investment trust	168,133	-	168,133
<u>December 31, 2020</u>			
Investments:			
Money market fund	\$ 550,000	\$ 550,000	\$ -
U.S. treasury securities	2,166,567	2,166,567	-
Agency Securities	320,162	-	320,162
Corporate bonds	2,646,997	-	2,646,997
Equity securities	3,035,197	3,035,197	-
Exchange traded funds	959,055	959,055	-

Fair value of investments in money market funds, 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.

WILD SALMON CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

13. CONTINGENCIES

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.

SUPPLEMENTARY INFORMATION

WILD SALMON CENTER
SCHEDULE I - CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2021

	Wild Salmon Center	The Stronghold Fund	Eliminating Entries	Consolidated Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,995,757	\$ 1,379,688	\$ -	\$ 5,375,445
Pledges receivable, current portion	1,264,417	1,000,000	-	2,264,417
Investments	3,134,073	8,822,355	-	11,956,428
Prepaid expenses, deposits, and supplies	250,640	-	-	250,640
Total current assets	8,644,887	11,202,043	-	19,846,930
Long-term pledges receivable, net	363,891	2,035,569	-	2,399,460
Property and equipment, net	17,477	-	-	17,477
 TOTAL ASSETS	 \$ 9,026,255	 \$ 13,237,612	 \$ -	 \$ 22,263,867
 LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable and accrued expenses	\$ 576,361	\$ 18,867	\$ -	\$ 595,228
Total liabilities	576,361	18,867	-	595,228
Net assets:				
Without donor restrictions:				
Undesignated	5,038,092	-	-	5,038,092
Property and equipment, net	17,477	-	-	17,477
Board designated	775,000	-	-	775,000
Total without donor restrictions	5,830,569	-	-	5,830,569
With donor restrictions	2,619,325	13,218,745	-	15,838,070
Total net assets	8,449,894	13,218,745	-	21,668,639
 TOTAL LIABILITIES AND NET ASSETS	 \$ 9,026,255	 \$ 13,237,612	 \$ -	 \$ 22,263,867

See independent auditor's report.

WILD SALMON CENTER
SCHEDULE II - CONSOLIDATING STATEMENT OF ACTIVITIES
For the year ended December 31, 2021

	Wild Salmon Center	The Stronghold Fund	Eliminating Entries	Consolidated Total
Revenue and support:				
Grants and contributions	\$ 7,901,906	\$ 1,157,258	\$ (892,265)	\$ 8,166,899
Investment income, net	49,847	155,301	-	205,148
Change in value of investments	220,780	659,695	-	880,475
Other income	36,988	9,553	-	46,541
Total revenue and support	<u>8,209,521</u>	<u>1,981,807</u>	<u>(892,265)</u>	<u>9,299,063</u>
Expenses:				
Program services:				
North America Program	3,649,125	-	-	3,649,125
Western Pacific Network	521,133	-	-	521,133
Science Program	304,598	-	-	304,598
The Stronghold Fund	-	1,094,834	(892,265)	202,569
Communications and other programs	794,101	-	-	794,101
Total program services	5,268,957	1,094,834	(892,265)	5,471,526
Management and general	528,908	-	-	528,908
Development and fundraising	982,224	-	-	982,224
Total expenses	<u>6,780,089</u>	<u>1,094,834</u>	<u>(892,265)</u>	<u>6,982,658</u>
Change in net assets	1,429,432	886,973	-	2,316,405
Net assets:				
Beginning of year	<u>7,020,462</u>	<u>12,331,772</u>	<u>-</u>	<u>19,352,234</u>
End of year	<u>\$ 8,449,894</u>	<u>\$ 13,218,745</u>	<u>\$ -</u>	<u>\$ 21,668,639</u>

See independent auditor's report.