WILD SALMON CENTER

Audited Consolidated Financial Statements

For the Years Ended December 31, 2023 and 2022

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, 2023 and 2022, 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, 2023 and 2022, 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.

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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 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 April 16, 2024 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 Jacobs, P.C.

Portland, Oregon
April 16, 2024

WILD SALMON CENTER
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,693,294	$ 5,101,007
Pledges receivable, current portion	4,375,238	3,102,514
Prepaid expenses, deposits, and other assets	441,103	287,268
Investments	11,870,944	10,705,534
Total current assets	21,380,579	19,196,323
Long-term pledges receivable, net	5,042,862	3,433,543
Property and equipment, net	55,081	11,122
Operating lease right-of-use assets	226,080	364,068
TOTAL ASSETS	$ 26,704,602	$ 23,005,056
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	$ 815,568	$ 1,160,486
Current portion of operating lease liabilities	152,858	139,987
Total current liabilities	968,426	1,300,473
Operating lease liabilities	83,586	236,444
Total liabilities	1,052,012	1,536,917
Net assets:		
Without donor restrictions:		
Undesignated	3,216,801	3,852,133
Property and equipment, net	55,081	11,122
Board designated	775,000	775,000
Total without donor restrictions	4,046,882	4,638,255
With donor restrictions	21,605,708	16,829,884
Total net assets	25,652,590	21,468,139
TOTAL LIABILITIES AND NET ASSETS	$ 26,704,602	$ 23,005,056

See notes to consolidated financial statements.

WILD SALMON CENTER
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the years ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Grants and contributions	$ 2,461,021	$ 10,533,530	$ 12,994,551	$ 2,085,606	$ 7,739,227	$ 9,824,833
Investment income, net	106,062	165,992	272,054	51,410	138,314	189,724
Change in value of investments	133,185	491,676	624,861	(344,558)	(1,120,649)	(1,465,207)
Other income	8,247	168,244	176,491	703	99,014	99,717
Net assets released from restrictions:						
Satisfaction of purpose and time restrictions	6,583,618	(6,583,618)	-	5,864,092	(5,864,092)	-
Total revenue and support	9,292,133	4,775,824	14,067,957	7,657,253	991,814	8,649,067
Expenses:						
Program services:						
North America Program	5,071,729	-	5,071,729	4,862,112	-	4,862,112
Western Pacific Network	593,719	-	593,719	516,741	-	516,741
Science Program	693,219	-	693,219	631,221	-	631,221
The Stronghold Fund	503,505	-	503,505	239,421	-	239,421
Communications and other programs	806,195	-	806,195	719,053	-	719,053
Total program services	7,668,367	-	7,668,367	6,968,548	-	6,968,548
Management and general	725,013	-	725,013	684,297	-	684,297
Development and fundraising	1,490,126	-	1,490,126	1,196,722	-	1,196,722
Total expenses	9,883,506	-	9,883,506	8,849,567	-	8,849,567
Change in net assets	(591,373)	4,775,824	4,184,451	(1,192,314)	991,814	(200,500)
Net assets:						
Beginning of year	4,638,255	16,829,884	21,468,139	5,830,569	15,838,070	21,668,639
End of year	$ 4,046,882	$ 21,605,708	$ 25,652,590	$ 4,638,255	$ 16,829,884	$ 21,468,139

See notes to consolidated financial statements.

WILD SALMON CENTER
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2023

	Program Services								
	North America Program	Western Pacific Network	Science Program	The Stronghold Fund	Communi-cation and Other	Total Program Services	Management and General	Development and Fundraising	Total
Salaries and related expenses	$ 2,003,297	$ 418,319	$ 550,997	$ 176,310	$ 520,569	$ 3,669,492	$ 499,794	$ 1,036,816	$ 5,206,102
Subgrants	1,387,723	118,330	32,000	317,510	-	1,855,563	-	-	1,855,563
Professional services	1,416,557	1,050	31,665	1,900	97,436	1,548,608	103,952	99,136	1,751,696
Advertising and promotion	10,137	-	400	-	33,159	43,696	10	28,485	72,191
Rent and occupancy	30,502	10,670	18,373	2,473	40,009	102,027	26,930	42,529	171,486
Office and telecommunication	49,046	21,589	10,908	456	44,788	126,787	13,917	42,902	183,606
Travel	144,746	19,982	42,442	1,986	10,970	220,126	26,515	119,178	365,819
Conference	12,838	61	3,596	92	-	16,587	259	60,816	77,662
Insurance	1,742	2,726	54	-	-	4,522	24,507	410	29,439
Dues and subscriptions	10,858	-	167	-	32,229	43,254	2,180	24,528	69,962
Other operating costs	4,283	992	2,617	2,778	27,035	37,705	26,949	35,326	99,980
Total expenses	$ 5,071,729	$ 593,719	$ 693,219	$ 503,505	$ 806,195	$ 7,668,367	$ 725,013	$ 1,490,126	$ 9,883,506

See notes to consolidated financial statements.

WILD SALMON CENTER
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2022

	Program Services								
	North America Program	Western Pacific Network	Science Program	The Stronghold Fund	Communi-cation and Other	Total Program Services	Management and General	Development and Fundraising	Total
Salaries and related expenses	$ 1,793,137	$ 272,168	$ 464,108	$ 177,864	$ 457,989	$ 3,165,266	$ 472,702	$ 819,600	$ 4,457,568
Subgrants	2,010,710	226,388	17,470	50,000	-	2,304,568	-	-	2,304,568
Professional services	855,389	-	75,376	1,619	103,585	1,035,969	67,002	47,181	1,150,152
Advertising and promotion	6,482	-	1,100	-	28,620	36,202	-	25,580	61,782
Rent and occupancy	33,938	10,040	20,474	4,107	29,694	98,253	36,947	29,408	164,608
Office and telecommunication	30,125	897	16,565	2,181	37,790	87,558	18,546	38,459	144,563
Travel	116,448	2,973	30,147	-	7,054	156,622	15,576	107,314	279,512
Conference	4,452	173	3,782	-	1,145	9,552	9,262	84,406	103,220
Insurance	173	2,769	71	-	-	3,013	27,393	54	30,460
Dues and subscriptions	10,074	-	15	1,486	29,244	40,819	2,404	11,124	54,347
Other operating costs	1,184	1,333	2,113	2,164	23,932	30,726	34,465	33,596	98,787
Total expenses	$ 4,862,112	$ 516,741	$ 631,221	$ 239,421	$ 719,053	$ 6,968,548	$ 684,297	$ 1,196,722	$ 8,849,567

See notes to consolidated financial statements.

WILD SALMON CENTER
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Cash received from grants, contracts, and contributions	$ 9,812,603	$ 7,926,119
Other cash receipts	199,266	81,169
Investment earnings	329,191	247,764
Cash paid to employees and suppliers	(10,295,407)	(8,288,277)
Cash paid for operating leases	(157,997)	(50,852)
Net cash flows from operating activities	(112,344)	(84,077)
Cash flows from investing activities:		
Proceeds from the sale of investments	2,832,109	1,404,939
Purchases of investments	(3,074,516)	(1,595,300)
Additions to property and equipment	(52,962)	-
Net cash flows from investing activities	(295,369)	(190,361)
Net change in cash and cash equivalents	(407,713)	(274,438)
Cash and cash equivalents - beginning of year	5,101,007	5,375,445
Cash and cash equivalents - end of year	$ 4,693,294	$ 5,101,007
Non-cash investing and financing activities:		
Obtaining right-of-use assets in exchange for lease liabilities	$ -	$ 419,968

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: Wild Salmon Center is collaborating with partners to ensure effective long-term conservation of high priority taimen rivers in Mongolia.

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.

Principles of Consolidation

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 consolidated 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.

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Leases

The Organization determines if an arrangement is or contains a lease at inception. Under FASB ASC 842, *Leases*, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Leases are included in right-of-use (ROU) assets and lease liabilities in the consolidated statements of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when it is readily determinable. Since most of the Organization's leases do not provide an implicit rate, to determine the present value of lease payments, management uses the Organization's incremental borrowing rate based on the information available at lease commencement. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option.

The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 $18.7 million for the period through March 2027 that have not been recognized at December 31, 2023 because qualifying expenditures have not yet been incurred.

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.

Adoption of New Accounting Standard

As of January 1, 2023, the Organization adopted Accounting Standards Update (ASU) No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASU 2016-13), which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 include accounts receivable. CECL requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The update also requires that credit losses on available-for-sale debt securities be presented as an allowance rather than a write-down of the security. This standard provides financial statement users with more decision-useful information about the expected losses on financial instruments.

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Adoption of New Accounting Standard, Continued
The Organization adopted this change in accounting principle as of the first day of 2023 using the modified retrospective method. Accordingly, financial information for periods prior to the date of initial application has not been adjusted. The adoption did not result in a significant effect on amounts reported in the statement of financial position and statement of activities for 2023.

Subsequent Events
The Organization has evaluated all subsequent events through April 16, 2024, 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 available for general expenditure consist of the following at December 31:

	2023	2022
Financial assets:		
Cash and cash equivalents	$ 4,693,294	$ 5,101,007
Pledges receivable, current	4,375,238	3,102,514
Investments	11,870,944	10,705,534
Total financial assets	20,939,476	18,909,055
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions	(16,562,846)	(13,396,341)
Board designations	(775,000)	(775,000)
Financial assets available for general expenditure	$ 3,601,630	$ 4,737,714

Board designated funds may be released for spending upon approval of the Board. See Note 8 regarding board designated net assets. See Note 6 for information about other financial resources available through the Organization's line of credit.

3. 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:

	2023	2022
Due within one year	$ 4,375,238	$ 3,102,514
Due in two to five years	4,422,000	2,426,667
Over five years	1,300,000	1,800,000
Total pledges receivable	10,097,238	7,329,181
Less discount on long-term pledges	679,138	793,124
Net pledges receivable	$ 9,418,100	$ 6,536,057
Current	$ 4,375,238	$ 3,102,514
Long-term	5,042,862	3,433,543
Net pledges receivable	$ 9,418,100	$ 6,536,057

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

4. INVESTMENTS

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

	2023	2022
Cash - bank deposits	$ 122,057	$ 381,602
Cash equivalents - money market	885,000	550,000
U.S. treasury securities	3,095,108	2,603,571
Agency securities - fixed income	451,331	264,850
Corporate bonds	3,106,737	2,902,664
Equities	4,210,711	4,002,847
Total investments	$ 11,870,944	$ 10,705,534

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2023	2022
Furniture	$ 163,271	$ 163,271
Office equipment	34,636	34,636
Computer equipment	29,257	29,257
Leasehold improvements	67,545	67,545
Vehicle	52,962	-
	347,671	294,709
Less accumulated depreciation	292,590	283,587
Property and equipment, net	$ 55,081	$ 11,122

Depreciation expense totaled $9,004 and $6,355 for the years ended December 31, 2023 and 2022, 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 0.5% minus the bank prime rate or the floor rate of 5.75%, whichever is greater (7.0% and 7.68% at December 31, 2023 and 2022, respectively). The line of credit is secured by all supplies, receivables and equipment of the Organization and matures on June 1, 2024. There were no advances on the line at December 31, 2023 and 2022.

7. OPERATING LEASES

The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms.

The Organization's operating leases consist of leases for office space and equipment with remaining lease terms of approximately 1 to 4 years.

The office lease agreement includes provisions for variable rent payments, which are adjusted 3% annually.

7. OPERATING LEASES, Continued

The following summarizes the line items in the consolidated statements of financial positions which include amounts for the operating leases as of December 31:

	2023	2022
Operating leases:		
Right-of-use-assets	$ 226,080	$ 364,068
Lease liability-current portion	$ 152,858	$ 139,987
Noncurrent lease liabilities	83,586	236,444
Total operating lease liabilities	$ 236,444	$ 376,431

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	2023	2022
Weighted average remaining lease term	1.7 years	2.6 years
Weighted average discount rate	5.75%	5.75%

The maturities of the operating lease liabilities as of December 31, 2023 are as follows:

Year ending December 31, 2024	$ 162,527
2025	73,000
2026	7,140
2027	5,950
	248,617
Less discount/interest	(12,173)
Present value of lease liabilities	$ 236,444

For the years ended December 31, 2023 and 2022, total operating lease cost of approximately $156,000 and $63,200, respectively, and total short-term lease cost of approximately $85,000 in 2022, are included in rent and occupancy.

In addition, the Organization entered into a 97-month lease for new office space that commenced as of April 2024. The right-of-use asset and lease liability for the new office space is expected to approximate $1.6 million.

8. BOARD DESIGNATED NET ASSETS

Board designated net assets are held as an operating reserve and total $775,000 at December 31, 2023 and 2022.

9. NET ASSETS WITH DONOR RESTRICTIONS

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

	2023	2022
The Stronghold Fund	$ 17,808,319	$ 12,480,901
North America Program	2,062,676	2,445,123
Western Pacific Network	10,510	251,216
Salmon Science	1,724,203	1,652,644
Total net assets with donor restrictions	$ 21,605,708	$ 16,829,884

10. 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 2023 and 2022 totaled approximately $227,100 and $157,600, respectively.

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 $3 million at both December 31, 2023 and 2022.

Credit risk for pledges receivable is concentrated in that 30% and 59% of the balance, before discount, at December 31, 2023 and 2022, respectively, is due from one individual, who is a board member.

11. CONCENTRATIONS OF CREDIT RISK, Continued

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 consolidated statements of financial position.

12. FAIR VALUE MEASUREMENTS

Assets and liabilities, including investments, are recorded at fair value in the consolidated statements 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, 2023:

	Fair Value	Level 1	Level 2
Investments:			
Money market fund	$ 885,000	$ 885,000	$ -
U.S. treasury securities	3,095,108	3,095,108	-
Agency securities - fixed income	451,331	-	451,331
Corporate bonds	3,106,737	-	3,106,737
Equity securities	3,125,499	3,125,499	-
Exchange traded funds	984,273	984,273	-
Real estate investment trust	100,939	-	100,939
	$ 11,748,887	$ 8,089,880	$ 3,659,007

12. FAIR VALUE MEASUREMENTS, Continued

Fair values of assets measured on a recurring basis are as follows at December 31, 2022:

	Fair Value	Level 1	Level 2
Investments:			
Money market fund	$ 550,000	$ 550,000	$ -
U.S. treasury securities	2,603,571	2,603,571	-
Agency securities - fixed income	264,850	-	264,850
Corporate bonds	2,902,664	-	2,902,664
Equity securities	3,192,630	3,192,630	-
Exchange traded funds	672,138	672,138	-
Real estate investment trust	138,079	-	138,079
	$10,323,932	$ 7,018,339	$ 3,305,593

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.

13. COMMITMENTS AND 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.

The Organization has made grant commitments totaling $480,000 which are contingent upon the awardee meeting grant conditions.

SUPPLEMENTARY INFORMATION

WILD SALMON CENTER
SCHEDULE I - CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2023

	Wild Salmon Center	The Stronghold Fund	Eliminating Entries	Consolidated Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 2,068,672	$ 2,624,622	$ -	$ 4,693,294
Pledges receivable, current portion	1,364,238	3,011,000	-	4,375,238
Prepaid expenses, deposits, and other assets	441,103	-	-	441,103
Investments	3,373,062	8,497,882	-	11,870,944
Total current assets	7,247,075	14,133,504	-	21,380,579
Long-term pledges receivable, net	1,314,483	3,728,379	-	5,042,862
Property and equipment, net	55,081	-	-	55,081
Operating lease right-of-use assets	226,080	-	-	226,080
TOTAL ASSETS	$ 8,842,719	$ 17,861,883	$ -	$ 26,704,602
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable and accrued expenses	$ 762,004	$ 53,564	$ -	$ 815,568
Current portion of operating lease liabilities	152,858	-	-	152,858
Total current liabilities	914,862	53,564	-	968,426
Operating lease liabilities	83,586	-	-	83,586
Total liabilities	998,448	53,564	-	1,052,012
Net assets:				
Without donor restrictions:				
Undesignated	3,216,801	-	-	3,216,801
Property and equipment, net	55,081	-	-	55,081
Board designated	775,000	-	-	775,000
Total without donor restrictions	4,046,882	-	-	4,046,882
With donor restrictions	3,797,389	17,808,319	-	21,605,708
Total net assets	7,844,271	17,808,319	-	25,652,590
TOTAL LIABILITIES AND NET ASSETS	$ 8,842,719	$ 17,861,883	$ -	$ 26,704,602

See independent auditor's report.

WILD SALMON CENTER
SCHEDULE II - CONSOLIDATING STATEMENT OF ACTIVITIES
For the year ended December 31, 2023

	Wild Salmon Center	The Stronghold Fund	Eliminating Entries	Consolidated Total
Revenue and support:				
Grants and contributions	$ 7,831,238	$ 6,642,313	$ (1,479,000)	$ 12,994,551
Investment income, net	106,062	165,992	-	272,054
Change in value of investments	133,185	491,676	-	624,861
Other income	166,549	9,942	-	176,491
Total revenue and support	8,237,034	7,309,923	(1,479,000)	14,067,957
Expenses:				
Program services:				
North America Program	5,071,729	-	-	5,071,729
Western Pacific Network	593,719	-	-	593,719
Science Program	693,219	-	-	693,219
The Stronghold Fund	-	1,982,505	(1,479,000)	503,505
Communications and other programs	806,195	-	-	806,195
Total program services	7,164,862	1,982,505	(1,479,000)	7,668,367
Management and general	725,013	-	-	725,013
Development and fundraising	1,490,126	-	-	1,490,126
Total expenses	9,380,001	1,982,505	(1,479,000)	9,883,506
Change in net assets	(1,142,967)	5,327,418	-	4,184,451
Net assets:				
Beginning of year	8,987,238	12,480,901	-	21,468,139
End of year	$ 7,844,271	$ 17,808,319	$ -	$ 25,652,590