

COLUMBIA RIVERKEEPER

FINANCIAL STATEMENTS

Year Ended December 31, 2017



KERN ▲ THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

COLUMBIA RIVERKEEPER
FINANCIAL STATEMENTS
Year Ended December 31, 2017

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Executive Director's Message

Columbia Riverkeeper (Riverkeeper) achieved major victories for clean water in 2017. Riverkeeper reduced toxic pollution discharges, defeated dangerous fossil fuel terminals, protected key fish and wildlife habitat, and engaged residents in hands-on stewardship activities.

Columbia Riverkeeper Program Descriptions

Fighting for Clean Water and Salmon

Riverkeeper protects clean water and salmon by stopping toxic pollution and protecting habitat.

Riverkeeper reduced toxic pollution in the Columbia and its tributaries by identifying and stopping illegal pollution, reviewing pollution discharge permits, and advocating to state and federal agencies for better toxic reduction policies.

Riverkeeper researches pollution violations and enforces the Clean Water Act against illegal discharges. Riverkeeper reviews major pollution discharge permits on the Columbia River and submits detailed technical and legal comments to state agencies when appropriate. The comments advocate for pollution reduction and notify the agencies when the pollution permits violate the Clean Water Act. Riverkeeper's actions resulted in less toxic pollution, better treatment or control systems, and greater compliance with the law.

On the policy side, Riverkeeper works to ensure that federal and state water quality standards and implementation tools are strong enough to protect fish and wildlife, and all river users. Riverkeeper helped organize a coalition to reduce toxic pollution in fish by asking Oregon and Washington to create more protective limits on toxics. Riverkeeper engaged in public decision-making processes at the local, state, and federal levels to advocate for habitat protection, particularly in the Columbia River estuary.

The Hanford Nuclear Site on the Columbia River is the most contaminated place in the western hemisphere. Riverkeeper utilizes public pressure, grassroots organizing, and technical assessment of cleanup plans to advocate for the thorough cleanup of the site. Riverkeeper produces action alerts and issue briefings on technical matters and upcoming decisions. Riverkeeper also organizes attendance and testimony at hearings regarding important Hanford clean-up decisions, including how to clean up leaking storage tanks containing high-level nuclear waste. In 2017, Riverkeeper started a partnership with the Yakama Nation to increase outreach and education among tribal youth and citizens of the Yakama Nation.

Riverkeeper identifies and protects key habitat in the Columbia basin from industrial development and other threats, this includes fossil fuel infrastructure (see below), new shipping terminals, and chemical plants. Riverkeeper also works to protect ground and surface water from new factory farms in eastern Oregon.

Protecting our Region from Fossil Fuels

Riverkeeper leads the effort to protect the Columbia River and river communities from an onslaught of coal, oil, and fracked gas shipping terminals and refineries that threaten aquatic ecosystems, public health, and our climate.

Riverkeeper and allies helped defeat the Millennium coal export terminal in Longview, Washington that would have degraded our water quality and salmon habitat. If built, dozens of coal trains per day would have impacted Pacific Northwest communities. Coal contains toxic pollutants and when burned is a major contributor to harmful climate change. Riverkeeper helped organize tremendous public involvement in state and federal coal export permitting processes. Riverkeeper organized thousands of residents along the coal train route to raise concerns to decision makers, turning coal export into a national issue regularly covered by regional and national media. Riverkeeper continues to present state and federal agencies the legal and policy reasons why coal export should be denied in Washington and Oregon.

Riverkeeper also helps lead regional efforts to protect Columbia River salmon and public health from oil-by-rail proposals. In 2017, Riverkeeper helped defeat the nation's largest oil-by-rail shipping terminal, proposed by Tesoro in Vancouver, Washington. If built, Tesoro would have received 360,000 barrels of Bakken crude or tar-sands-crude per day via trains. The trains would have crossed hundreds of water bodies and traveled for over 150 miles directly adjacent to the Columbia. Tesoro would have stored the oil in huge tanks along the river to then loaded the oil onto Panamax-sized oil tankers, which would sail through the Estuary and across the treacherous Columbia River bar. Riverkeeper pushed local and state decision makers to deny oil-by-rail proposals by presenting compelling technical and legal arguments on the public safety, economic, and environmental harm, and why the project does not comply with state regulations.

Riverkeeper also protects our region from fracked gas infrastructure, such as pipelines, power plants, refineries, and petrochemical plants. In 2017, Riverkeeper challenged permits for the world's largest fracked-gas-to-methanol refinery, proposed on the banks of the Columbia in Kalama, Washington. In addition, Riverkeeper helps organize a coalition working to protect the Pacific Northwest from fracked gas infrastructure.

Engaging River Communities

Riverkeeper works to engage river communities to make a difference for clean water. We monitor water quality, clean up riparian areas and beaches, conduct outreach to diverse communities, restore habitat, and educate students.

People often ask our staff: "Is it safe to swim?" To answer this question, Riverkeeper provides real-time water quality data for popular swim beaches in Portland, Vancouver, and the Columbia River Gorge. Riverkeeper has been testing the Columbia for E. coli bacteria for over a decade. Our goal is to encourage families to enjoy our rivers safely. Fecal bacteria in water can cause nausea, diarrhea, and infections, especially in children and the elderly.

Surprisingly, no local or state Organization regularly tests popular Columbia River swim beaches. The City of Portland samples the Willamette in seven locations, while the Oregon Health Authority tests ocean beaches. There is a data gap at the heavily used Columbia River sites. Columbia Riverkeeper fills that gap, while engaging volunteer river stewards.

Our data does not sit on a shelf. Riverkeeper posts testing results on the “Swim Guide” website and smartphone application, as well as our website and social media. Over two million people use “Swim Guide” and 199,000 people have viewed our Columbia River data. The outcome is safer swimming and recreation during the busy summer months. Fortunately, E. coli is typically within safe levels, so our data encourages people to enjoy the water.

In addition, Riverkeeper is engaging volunteers and students to restore habitat at the Nichols Natural Area, a former industrial site on the Columbia River in Hood River, Oregon. People who visit the waterfront will see this high-profile site. The students and community members who help design, implement, and manage the natural area will gain pride and ownership by making a brownfield turn green. At Nichols, learning is not confined by classroom walls. Young students learn to plant trees and inventory bugs. They may solve the mystery of why the Black-crowned Night Herons nest in the Nichols Basin. High school students help plan restoration site and sample water quality. And students learn how imagination and the power of community can transform our river.

COLUMBIA RIVERKEEPER

A handwritten signature in black ink that reads "Brett VandenHeuvel". The signature is written in a cursive style with a large, looped initial 'B'.

Brett VandenHeuvel
Executive Director

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Columbia Riverkeeper
Hood River, Oregon

We have audited the accompanying financial statements of Columbia Riverkeeper (a non-profit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 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 financial statements referred to above present fairly, in all material respects, the financial position of Columbia Riverkeeper as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited Columbia Riverkeeper's 2016 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated July 11, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

KERN & THOMPSON, LLC

Portland, Oregon
August 29, 2018

COLUMBIA RIVERKEEPER
STATEMENT OF FINANCIAL POSITION

December 31, 2017
(With Comparative Totals as of December 31, 2016)

ASSETS

	2017	2016
Cash and cash equivalents	\$ 1,179,479	\$ 579,249
Grants, contracts, and contributions receivable	391,201	119,265
Prepaid expenses and other assets	13,562	9,485
Property and equipment - net	7,370	1,602
Total assets	\$ 1,591,612	\$ 709,601

LIABILITIES AND NET ASSETS

Accounts payable	\$ 124,258	\$ 22,197
Accrued payables	11,868	6,100
Total liabilities	136,126	28,297
Net assets		
Unrestricted	699,419	421,558
Temporarily restricted	723,370	259,746
Permanently restricted	32,697	-
Total net assets	1,455,486	681,304
Total liabilities and net assets	\$ 1,591,612	\$ 709,601

See notes to financial statements.

COLUMBIA RIVERKEEPER

STATEMENT OF ACTIVITIES

Year Ended December 31, 2017

(With Comparative Totals as of December 31, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
				<u>2017</u>	<u>2016</u>
Revenues, gains and other support					
Grants, contributions and memberships	\$ 626,532	\$ 944,327	\$ 32,697	\$ 1,603,556	\$ 851,553
Contracts	45,631	-	-	45,631	55,903
In-kind contributions	312,726	-	-	312,726	296,513
Special event revenue, net of expenses of \$4,900 and \$232, respectively	23,176	-	-	23,176	16,378
Legal settlement and mitigation reimbursements	143,755	-	-	143,755	97,078
Other	12,870	-	-	12,870	438
	<u>1,164,690</u>	<u>944,327</u>	<u>32,697</u>	<u>2,141,714</u>	<u>1,317,863</u>
Net assets released from restrictions	<u>480,703</u>	<u>(480,703)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>1,645,393</u>	<u>463,624</u>	<u>32,697</u>	<u>2,141,714</u>	<u>1,317,863</u>
Expenses					
Program services					
Fighting for Clean Water and Salmon	486,246	-	-	486,246	380,016
Protecting from Fossil Fuels	347,698	-	-	347,698	332,520
Engaging River Communities	344,449	-	-	344,449	337,499
Total program services	<u>1,178,393</u>	<u>-</u>	<u>-</u>	<u>1,178,393</u>	<u>1,050,035</u>
Supporting services					
Management and general	33,993	-	-	33,993	47,074
Fund-raising	155,146	-	-	155,146	132,857
Total expenses	<u>1,367,532</u>	<u>-</u>	<u>-</u>	<u>1,367,532</u>	<u>1,229,966</u>
Change in net assets	277,861	463,624	32,697	774,182	87,897
Net assets, beginning of year	<u>421,558</u>	<u>259,746</u>	<u>-</u>	<u>681,304</u>	<u>593,407</u>
Net assets, end of year	<u>\$ 699,419</u>	<u>\$ 723,370</u>	<u>\$ 32,697</u>	<u>\$ 1,455,486</u>	<u>\$ 681,304</u>

See notes to financial statements.

COLUMBIA RIVERKEEPER

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2017

(With Comparative Totals as of December 31, 2016)

	PROGRAM SERVICES				SUPPORTING SERVICES		Total	
	Fighting for Clean Water and Salmon	Protection from Fossil Fuels	Engaging River Communities	Total	Management and General	Fund- Raising	2017	2016
Personnel costs	\$ 79,880	\$ 256,110	\$ 244,474	\$ 580,464	\$ 19,495	\$ 97,861	\$ 697,820	\$ 690,593
Depreciation	84	263	316	663	17	125	805	2,033
Dues, licenses and memberships	2,969	2,589	5,427	10,985	450	6,220	17,655	17,426
Insurance	447	1,403	2,436	4,286	311	670	5,267	3,734
Marketing	101	2,655	473	3,229	5	63	3,297	10,883
Meetings and trainings	304	7,465	4,293	12,062	30	4,940	17,032	10,903
Occupancy	6,059	19,620	22,243	47,922	1,298	8,388	57,608	60,824
Supplies	741	3,747	17,530	22,018	329	-	22,347	21,762
Postage and printing	137	1,464	19,550	21,151	18	27,744	48,913	48,822
Professional services	393,854	41,929	19,574	455,357	12,007	6,939	474,303	339,291
Travel	1,670	10,453	8,133	20,256	33	2,196	22,485	23,695
	\$ 486,246	\$ 347,698	\$ 344,449	\$ 1,178,393	\$ 33,993	\$ 155,146	\$ 1,367,532	\$ 1,229,966

See notes to financial statements.

COLUMBIA RIVERKEEPER
STATEMENT OF CASH FLOWS
Year Ended December 31, 2017
(With Comparative Totals as of December 31, 2016)

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 774,182	\$ 87,897
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	805	2,033
Changes in assets and liabilities:		
Grants, contracts, and contributions receivable	(271,936)	38,959
Prepaid expenses and other assets	(4,077)	4,637
Accounts payable	102,061	14,932
Accrued payable	5,768	2,916
Net cash provided by (used in) operating activities	606,803	151,374
Cash flows from investing activities:		
Purchase of property and equipment	(6,573)	(738)
Net change in cash and cash equivalents	600,230	150,636
Cash and cash equivalents, beginning of year	579,249	428,613
Cash and cash equivalents, end of year	\$ 1,179,479	\$ 579,249

See notes to financial statements.

COLUMBIA RIVERKEEPER
NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE A – DESCRIPTION OF ORGANIZATION

Columbia Riverkeeper (Riverkeeper, or the Organization) was incorporated in the state of Washington as a non-profit corporation in 1989. Its goal is to protect the water quality of the Columbia River and all life connected from the headwaters to the Pacific Ocean. Riverkeeper utilizes community organizing, public education, policy work, and the enforcement of environmental laws to promote a healthy Columbia River. Support is provided to Riverkeeper through contributions from individuals and businesses, foundation support, grants and other fees.

During the fiscal year, Riverkeeper supported the following:

Fighting for Clean Water and Salmon – Riverkeeper protects clean water and salmon by stopping toxic pollution and protecting habitat. Riverkeeper reviews pollution discharge permits, enforces environmental laws, and advocates to state and federal agencies for better toxic reduction policies.

Protection from Fossil Fuels – Riverkeeper leads the effort to protect the Columbia River and river communities from an onslaught of coal, oil, and fracked gas shipping terminals and refineries that threaten aquatic ecosystems, public health, and our climate. To achieve this, Riverkeeper integrates community organizing, enforcement of environmental laws, and hands-on citizen action.

Engaging River Communities – Riverkeeper works to engage river communities to make a difference for clean water. Riverkeeper staff and volunteers monitor water quality, clean up riparian areas and beaches, conduct outreach to diverse communities, restore habitat, and educate students.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted net assets represent net assets not subject to donor-imposed stipulations.
- Temporarily restricted net assets represent net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.
- Permanently restricted net assets represent net assets subject to permanent donor-imposed stipulations. The Organization has no permanently restricted net assets.

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

COLUMBIA RIVERKEEPER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Interpretation of Relevant Law Over Endowments

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

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

In general, investment returns on the Organization's endowment are available for retention or appropriation based on the same prudent standards and policies established by the Board of Directors and, therefore, are classified as temporarily restricted net assets until the returns are appropriated for expenditure by the Board of Directors and, if the use of the investment return is restricted by the donor, until the restriction has also been satisfied. Any investment return classified as permanently restricted net assets represents only those amounts required to be retained permanently as a result of explicit donor stipulations.

Endowment Investment and Spending Policies

The goal of the Organization's investment program for funds held as permanent endowment is to achieve a total rate of return that will allow the Organization to respond to today's needs and the long-term growth necessary to respond to future needs. The investment objective for endowed funds is to retain (at a minimum) when possible an increase in the purchasing power of the funds, while at the same time producing a reasonable return for distribution to meet current needs.

COLUMBIA RIVERKEEPER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment is recorded at cost. Donated equipment is recorded at fair market value at the date received. Depreciation is computed on the straight-line method over the following estimated useful lives:

Furniture and equipment	5 years
Boat	10 years

Maintenance and repairs are expensed when incurred. Betterments and renewals in excess of \$500 are capitalized.

Income Taxes

The Organization has been approved as a tax exempt organization under the Internal Revenue Code Section 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of \$1,000.

Cash and Cash Equivalents

The Organization considers all liquid investments having initial maturities of three months or less to be cash equivalents.

Revenue Recognition

All contributions and grants are considered available for unrestricted use unless specifically restricted by a donor. Contract revenues are recognized at the time services are provided and the revenues are earned. Membership payments received from the Organization's members are considered equivalent to unrestricted contributions and are recognized as revenue when received. The Organization makes an annual determination of the adequacy of the allowance for uncollectible grants and contracts receivable. Management believes no allowance is required as of December 31, 2017.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized in the Statement of Activities. Certain costs have been allocated among the programs and supporting services benefited.

Financial Instruments With Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash and cash equivalents. Interest bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Uninsured balances at December 31, 2017 totaled \$808,661.

COLUMBIA RIVERKEEPER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prior Year Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

Reclassifications

Certain prior year balances in the accompanying financial statements have been reclassified to conform to the current year presentation.

NOTE C – GRANTS RECEIVABLE

During the year the Organization was granted a multi-year grant. Management has determined that the effect of an imputed interest rate not to be material to the financial statements, and thus has not discounted the grant to present value. Grants receivable consist of the following at December 31, 2017:

Grants receivable expected to be collected in:	
Less than one year	\$ 291,201
One to five years	<u>100,000</u>
	<u>\$ 391,201</u>

NOTE D – PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2017 is as follows:

Furniture and equipment	\$ 13,751
Boat	<u>15,693</u>
	29,444
Less accumulated depreciation	<u>(22,074)</u>
	<u>\$ 7,370</u>

Depreciation expense for the year ended December 31, 2017 amounted to \$805.

COLUMBIA RIVERKEEPER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE E– RESTRICTED AND ENDOWMENT NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Factory farming initiatives	\$ 9,305
Fossil fuel initiatives	311,984
Water quality initiatives	100,533
Nichols natural area restoration	34,881
General operating expenses restricted for timing	<u>266,667</u>
	<u>\$ 723,370</u>

Permanently restricted net assets are composed of endowment funds for which the principal is permanently restricted, and the earnings are unrestricted, as described in Note B. The Organization’s endowment fund is as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Endowment net assets, beginning of year	\$ -	\$ -	\$ -
Contributions	-	32,697	32,697
Investment gains (losses)	<u>-</u>	<u>-</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 32,697</u>	<u>\$ 32,697</u>

NOTE F – IN-KIND CONTRIBUTIONS

A number of unpaid volunteers provide significant contributions of their time to develop and implement the Organization’s programs. There were approximately 6,000 volunteered hours during the year ended December 31, 2017. Amounts recognized on the statement of activities are limited to the significant services received which create or enhance a nonfinancial asset or require specialized skills that the Organization would have purchased if not donated. During the year ended December 31, 2017, the Organization recognized \$303,003 of contributed services for pro bono legal work, and \$9,723 of contributed equipment and supplies for water quality monitoring.

NOTE G – CONTINGENCIES

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization considers this contingency remote since, by accepting the grants and their terms, it is of the opinion that the Organization has complied with the terms of all grants.

COLUMBIA RIVERKEEPER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE H – UNSECURED CREDIT BORROWINGS

The Organization has unsecured credit cards with available limits of \$24,000 with approximately \$5,300 included in accounts payable at December 31, 2017, which was paid the subsequent month.

NOTE I – RETIREMENT PLAN

The Organization sponsors a 401(k) profit-sharing plan for the benefit of its eligible employees. At the discretion of the Board of Directors, the Organization may make contributions to the plan. The Organization made no contribution to this plan for the year ended December 31, 2017.

NOTE J – OPERATING LEASE COMMITMENTS

Minimum lease payments under non-cancellable leases for its Hood River office are as follows:

Year Ended December 31,	
2018	\$ 16,100
2019	28,152
2020	28,996
2021	<u>7,460</u>
	<u>\$ 80,708</u>

Total rent expense for the year ended December 31, 2017 was \$44,433.

NOTE K – SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 29, 2018, which is the date the financial statements were available to be issued.