

**COLUMBIA RIVERKEEPER**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2021**



**KERN ▲ THOMPSON**  
CERTIFIED PUBLIC ACCOUNTANTS

**COLUMBIA RIVERKEEPER**  
**FINANCIAL STATEMENTS**  
**Year Ended December 31, 2021**

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## **Executive Director's Message**

Columbia Riverkeeper (Riverkeeper) reduced toxic pollution discharges, defeated dangerous fossil fuel terminals, protected key fish and wildlife habitat, and engaged people in hands-on stewardship activities in 2021.

### **Program Descriptions**

#### **Stopping Pollution**

Riverkeeper protects clean water by stopping toxic pollution.

Toxic pollution in the Columbia River basin harms aquatic life and the people that depend on healthy fish and wildlife. Industrial discharges, stormwater pollution, municipal sewage, and illicit dumping are problems that we can address right now. Simply put, the Columbia contains too much toxic pollution. And our state and federal regulators are not solving the problem. Numerous studies show that fish, osprey, otters, and other species face unsafe levels of toxic pollution, including mercury and other heavy metals, flame retardants, and polychlorinated biphenyls (PCBs). So do humans. Native Americans face a 1 in 50 cancer risk from regularly consuming fish.

Many immigrant and low-income fishers likely fare worse. Low-income urban residents are currently catching and feeding fish to their families that contain unsafe levels of pollution. For example, Riverkeeper tested a sucker caught by a Russian immigrant in Vancouver Lake—the fish contained cancer-causing PCBs 250% over safe levels.

In 2021, Riverkeeper reduced toxic pollution in the Columbia and its tributaries by identifying and stopping illegal pollution and advocating to state and federal agencies for better toxic reduction policies.

Riverkeeper researched pollution violations and enforced the Clean Water Act. We prevented thousands of pounds of illegal pollution from entering the Columbia River by bringing Clean Water Act enforcement actions. These actions forced illegal polluters to solve the problem by running a cleaner operation or installing better pollution-control technology. We also deterred future pollution by demonstrating that we will take action when state and federal regulators do not. In addition, the enforcement actions generated penalties paid by polluters to local nonprofit organizations as mitigation.

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 opposed the federal government's plans to re-label high-level nuclear waste as "low-level" in order to leave it in place, instead of more protective cleanup. We also partnered with the Yakama Nation to push for better and faster cleanup of nuclear waste.

#### **Saving Salmon**

Riverkeeper works to protect salmon by reducing pollution and protecting and restoring habitat.

We identify and protect key salmon habitat in the Columbia basin from industrial development and other threats, including 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.

Riverkeeper made strong progress in 2021 to address the hot water crises on the Columbia River. Here is the difficult situation we face: Hot water, caused by dams and exacerbated by climate change, is killing Columbia and Snake river salmon. The rivers are simply too hot. Puget Sound orcas feed on salmon at the mouth of the Columbia during critical months before childbirth. The lack of salmon causes starving orcas and the tragic loss of orca calves. The federal agencies in charge of the Columbia are not solving the problem. In 2021, Riverkeeper earned national and international media attention when we captured underwater video of sockeye salmon dying due to extreme water temperature. We estimate that this footage was viewed over a million times across multiple platforms.

Riverkeeper also advanced our advocacy efforts by intervening in a legal challenge by the Army Corps of Engineers. We helped prevail to uphold Washington's authority to require federal dams comply with temperature limits.

Riverkeeper also advocated to restore salmon by removing the four lower Snake River dams. Riverkeeper maintained consistent and timely social media messaging focusing on hot water. Riverkeeper also consistently obtained helpful earned media coverage of legal and regulatory milestones, such as EPA's issuance of a final Total Maximum Daily Load (TMDL) and the legal decision upholding Washington's right to regulate the dams under Section 401 of the Clean Water Act.

### **Fighting Fossil Fuels**

Riverkeeper has worked with tribal nations, local businesses, strong coalitions, and our amazing members to defeat nearly every new fossil fuel infrastructure project on the Columbia River! This includes the world's largest fracked gas to methanol refinery, the nation's largest oil-by-rail shipping terminal, and the nation's largest coal export terminal. Western North America has huge fracked gas, oil, and coal reserves, and the Columbia River is a convenient route to ship these fossil fuels to Asia. We stand in the way. Preventing new fossil fuel infrastructure is a critical task to protect our climate. If fossil fuel corporations build new infrastructure—shipping terminals, pipelines, refineries—they will lock us into decades of fossil fuel use at a time when we must rapidly move toward clean energy and fewer petrochemicals.

In 2021, Riverkeeper and allies celebrated victory when backers of a controversial fossil fuel processing and export proposal in Kalama, Wash., officially abandoned its fracked gas refinery and pipeline proposal, terminating the company's lease with the Port of Kalama. The decision comes after years of local and regional activism to stop the massive fracked gas refinery, resulting in a series of legal defeats. In early 2021, Washington state denied a key permit, citing the refinery's significant climate and shoreline impacts. That decision followed state and federal court rejections of other permits for failing to fully analyze the project's harm on climate, water quality, and the public interest.

We also partnered with Columbia County, Oregon, residents to oppose plans to rezone 800 acres of land adjacent to prime salmon habitat at Port Westward from agricultural to industrial. The rezone would pave the way for more industrial use. Riverkeeper supported community organizing and provided legal support work to protect salmon and farmland. We also advocated against the expansion of an oil-by-rail terminal at Port Westward.

In Portland, Riverkeeper and allies helped prevent the expansion of Zenith Energy's oil-by-rail shipping terminal. We pushed the City of Portland to deny new pipes that would allow Zenith Energy to greatly expand tar sand crude shipments out of Portland, and intervened in Zenith's challenge to Portland's permit denial.

After a multi-year campaign and litigation, Riverkeeper and allies also prevailed over the controversial Perennial WindChaser, a 415-MW fracked gas power plant proposed in western Umatilla County, Oregon. Confronted with mounting public pressure and litigation brought by Columbia Riverkeeper and Friends of the Columbia Gorge, the developer behind the fossil fuel proposal decided to terminate the project and ask the Energy Facility Siting Council (EFSC) to revoke the state-issued permit for the project, called a “site certificate.” This was a major win for our climate. If constructed, Perennial would have emitted more than one million tons of greenhouse gasses per year, making it the sixth largest stationary source of greenhouse gas emissions in the state.

In a win for government transparency, Columbia Riverkeeper and our partners prevailed in a lawsuit filed against Oregon’s EFSC. The Oregon Supreme Court’s decision invalidated several EFSC rules that would have significantly limited the public’s ability to fully participate in contested case hearings—an administrative process that allows concerned members of the public to challenge a specific EFSC order. The Court also made clear that EFSC must formally amend a project’s site certificate if a facility will be built or operated in a way that deviates from the description in its site certificate.

### **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.

Several components of our Engaging River Communities were suspended in 2021 due to Covid-19, including our water quality monitoring at popular swim beaches and our Nichols Natural Area education and restoration program.

In 2021, Riverkeeper continued to expand our outreach and engagement efforts to Latino communities. This includes doing culturally specific outreach and engagement, producing bilingual radio shows and podcasts, called *Conoce Tu Columbia* (Know Your Columbia), on environmental and social justice issues, and providing additional materials in Spanish. Our Senior Organizer also helped expand a new Latino-led organization in the Columbia River Gorge, called Comunidades, dedicated to social and environmental justice. In 2021, Comunidades continued to engage in community response to Covid-19, including providing free masks and resources to Latino communities.

### **How we work**

All along the Columbia River, we work with people in dozens of communities—rural and urban—with the same goals: protecting the health of their families and the places they love. We enforce environmental laws to stop illegal pollution, protect salmon habitat, and challenge harmful fossil fuel terminals. Legal work makes a difference. But lawsuits alone do not create the change we need. Change comes when people organize and stand together for something they believe in. Power shifts when conversations around kitchen tables grow into successful campaigns.

### **Legal and policy**

When fossil fuel giants and other polluters roll in, our towns are at a huge disadvantage. The corporations have slick lobbyists, a squadron of attorneys, and consultants who give all the right answers. They do the rounds with local politicians. First they get everything lined up, then they announce the project to the public. Riverkeeper fights back. We are experts on environmental laws and public participation.

Our staff features five environmental attorneys and we work closely with dozens of public-interest lawyers. Our staff attorneys went to law school to learn the skills and tools to protect our environment and combat corporate greed. Here's what we do: file public records requests to disclose secrets to the public; ensure a fair and public process; support communities through public hearings; and go to court when necessary to stop dangerous fossil fuel terminals, refineries, and pipelines.

### **Community organizing**

If legal work is our compass to navigate harmful proposals, community organizing is our engine. Our work is powered by the brilliant and passionate local people who stand together to protect their communities. Together, we craft strategies, rely on local knowledge, earn media coverage, and turn out smart public testimony. We show our elected officials and government agencies that the right decision is clean water. Riverkeeper's team of professional community organizers are equal parts inspirational leaders, strategists, road warriors, and policy wonks. Our greatest strength is partnering with Columbia River communities to promote positive change.

### **Coalition building**

We are stronger together. Riverkeeper builds coalitions of organizations and people with shared values. We help bring together frontline, labor, faith, business, environmental justice, climate, and conservation communities to protect clean air and water. Riverkeeper also regularly coordinates with Tribal Nations. Our best work features diverse perspectives.

### **COLUMBIA RIVERKEEPER**

A handwritten signature in cursive script that reads "Brett VandenHeuvel". The signature is written in a dark ink and is positioned below the organization's name.

**Brett VandenHeuvel**  
**Executive Director**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Columbia Riverkeeper  
Hood River, Oregon

**Opinion**

We have audited the accompanying financial statements of Columbia Riverkeeper (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Columbia Riverkeeper 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 opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

To the Board of Directors  
Columbia Riverkeeper

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Columbia Riverkeeper'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Columbia Riverkeeper'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.

***Report on Summarized Comparative Information***

We have previously audited Columbia Riverkeeper's 2020 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated September 8, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Portland, Oregon  
September 28, 2022



**COLUMBIA RIVERKEEPER**  
**STATEMENT OF FINANCIAL POSITION**

**December 31, 2021**  
(With Comparative Totals as of December 31, 2020)

**ASSETS**

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 3,625,645	\$ 2,271,006
Investments	1,179,440	1,128,232
Grants and contributions receivable	638,282	731,818
Prepaid expenses and other assets	20,763	26,883
Beneficial interest in assets held by others	43,436	39,428
Property and equipment - net	12,535	13,753
<b>Total assets</b>	<b>\$ 5,520,101</b>	<b>\$ 4,211,120</b>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 47,439	\$ 36,137
Accrued compensation	134,529	105,978
Refundable advance - PPP loan	-	219,369
<b>Total liabilities</b>	<b>181,968</b>	<b>361,484</b>
<b>Net assets</b>		
Without donor restrictions	3,729,822	2,179,800
With donor restrictions	1,608,311	1,669,836
<b>Total net assets</b>	<b>5,338,133</b>	<b>3,849,636</b>
<b>Total liabilities and net assets</b>	<b>\$ 5,520,101</b>	<b>\$ 4,211,120</b>

See notes to financial statements.

**COLUMBIA RIVERKEEPER**

**STATEMENT OF ACTIVITIES**

**Year Ended December 31, 2021**

(With Comparative Totals as of December 31, 2020)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	
			<b>2021</b>	<b>2020</b>
<b>Revenues, gains and other support</b>				
Grants, contributions and memberships	\$ 1,793,523	\$ 1,388,791	\$ 3,182,314	\$ 2,834,610
Paycheck protection program loan forgiveness	219,369	-	219,369	-
In-kind contributions	167,002	-	167,002	233,752
Legal settlement and mitigation reimbursements	72,729	-	72,729	171,867
Investment income	41,948	4,008	45,956	14,482
Other	25,118	-	25,118	1,960
	2,319,689	1,392,799	3,712,488	3,256,671
Net assets released from restrictions	1,454,324	(1,454,324)	-	-
<b>Total revenues, gains and other support</b>	<b>3,774,013</b>	<b>(61,525)</b>	<b>3,712,488</b>	<b>3,256,671</b>
<b>Expenses</b>				
Program services				
Saving Salmon	239,599	-	239,599	245,362
Stopping Pollution	313,221	-	313,221	202,739
Engaging River Communities	433,836	-	433,836	351,278
Fighting Fossil Fuels	1,022,643	-	1,022,643	862,485
Total program services	2,009,299	-	2,009,299	1,661,864
Supporting services				
Management and general	74,095	-	74,095	52,306
Fundraising	140,597	-	140,597	221,744
<b>Total expenses</b>	<b>2,223,991</b>	<b>-</b>	<b>2,223,991</b>	<b>1,935,914</b>
<b>Change in net assets</b>	<b>1,550,022</b>	<b>(61,525)</b>	<b>1,488,497</b>	<b>1,320,757</b>
Net assets, beginning of year	2,179,800	1,669,836	3,849,636	2,528,879
<b>Net assets, end of year</b>	<b>\$ 3,729,822</b>	<b>\$ 1,608,311</b>	<b>\$ 5,338,133</b>	<b>\$ 3,849,636</b>

See notes to financial statements.

**COLUMBIA RIVERKEEPER**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended December 31, 2021**  
(With Comparative Totals as of December 31, 2020)

	<b>PROGRAM SERVICES</b>					<b>SUPPORTING SERVICES</b>		<b>Total</b>	
	<b>Saving Salmon</b>	<b>Stopping Pollution</b>	<b>Engaging River Communities</b>	<b>Fighting Fossil Fuels</b>	<b>Total</b>	<b>Management and General</b>	<b>Fund- raising</b>	<b>2021</b>	<b>2020</b>
Personnel costs	\$ 177,234	\$ 208,896	\$ 289,086	\$ 456,738	\$ 1,131,954	\$ 52,121	\$ 95,652	\$ 1,279,727	\$ 1,061,166
Depreciation	523	737	1,492	1,844	4,596	128	298	5,022	4,387
Dues, licenses and memberships	4,671	4,321	8,224	12,050	29,266	1,668	1,849	32,783	33,292
Insurance	905	1,227	2,420	2,965	7,517	978	387	8,882	9,411
Marketing	3,440	638	6,340	2,101	12,519	175	505	13,199	2,875
Meetings and trainings	1,344	975	15,613	4,835	22,767	219	35	23,021	3,545
Occupancy	6,273	9,188	19,034	24,130	58,625	2,160	3,803	64,588	68,264
Supplies	5,843	11,612	36,463	18,003	71,921	212	8,989	81,122	64,389
Postage and printing	565	763	21,006	1,755	24,089	17	27,031	51,137	57,174
Professional services	36,901	74,488	32,179	497,343	640,911	16,417	1,135	658,463	619,564
Travel	1,900	376	1,979	879	5,134	-	913	6,047	11,847
	<b>\$ 239,599</b>	<b>\$ 313,221</b>	<b>\$ 433,836</b>	<b>\$ 1,022,643</b>	<b>\$ 2,009,299</b>	<b>\$ 74,095</b>	<b>\$ 140,597</b>	<b>\$ 2,223,991</b>	<b>\$ 1,935,914</b>

See notes to financial statements.

**COLUMBIA RIVERKEEPER**  
**STATEMENT OF CASH FLOWS**

**Year Ended December 31, 2021**  
(With Comparative Totals as of December 31, 2020)

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 1,488,497	\$ 1,320,757
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	5,022	4,387
Change in value of beneficial interest held by others	(5,434)	(5,713)
Changes in assets and liabilities:		
Grants and contributions receivable	93,536	56,511
Prepaid expenses and other assets	6,120	(6,850)
Accounts payable	11,301	21,555
Accrued compensation	28,552	94,211
Refundable advance - PPP loan	(219,369)	219,369
<b>Net cash provided by (used in) operating activities</b>	<b>1,408,225</b>	<b>1,704,227</b>
<b>Cash flows from investing activities:</b>		
Distribution proceeds from beneficial interest held by others	1,426	1,426
Purchase of investments	(51,208)	(775,687)
Purchase of property and equipment	(3,804)	(3,412)
<b>Net cash provided by ( used in) investing activities</b>	<b>(53,586)</b>	<b>(777,673)</b>
<b>Net change in cash and cash equivalents</b>	<b>1,354,639</b>	<b>926,554</b>
Cash and cash equivalents, beginning of year	2,271,006	1,344,452
<b>Cash and cash equivalents, end of year</b>	<b>\$ 3,625,645</b>	<b>\$ 2,271,006</b>

See notes to financial statements.

## COLUMBIA RIVERKEEPER

### NOTES TO FINANCIAL STATEMENTS

December 31, 2021

#### 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:

**Stopping Pollution** – Riverkeeper protects clean water by stopping toxic pollution. Riverkeeper reviews pollution discharge permits, enforces environmental laws, and advocates to state and federal agencies for stronger laws to reduce toxic pollution in fish and drinking water. Riverkeeper pushes government agencies to take action for clean water.

**Saving Salmon** – Riverkeeper fights to protect salmon from toxic pollution, hot water, habitat loss, and dangerous fossil fuel proposals by reducing pollution and protecting and restoring habitat.

**Fighting 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. We 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

##### Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets either subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

## COLUMBIA RIVERKEEPER

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021

#### 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 with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Conditional promises to give are not recognized until the conditions on which they depend are substantially met. As of December 31, 2021, the Organization had \$210,733 of such promises to give, all subject to incurring allowable costs.

Membership payments received from the Organization's members are considered unrestricted contributions and are recognized as revenue when received.

##### 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 endowment principal (1) the original value of gifts donated to the 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 accumulated endowment return 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.

**COLUMBIA RIVERKEEPER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2021**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Interpretation of Relevant Law Over Endowments (Continued)**

In the absence of donor stipulations or law to the contrary, losses or appropriations of a donor-restricted endowment reduce accumulated endowment return to the extent that that donor-imposed restrictions on net appreciation of the fund have not been satisfied before the loss or appropriation occurs. Any remaining loss or appropriation reduces endowment principal.

**Endowments with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowments may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In addition, the Organization's Board of Directors interprets UPMIFA to permit spending from underwater endowments in accordance with prudent measures required by law, and the Organization has a policy that permits spending from underwater endowment funds depending on the degree to which the funds are underwater. Endowment funds were not underwater at December 31, 2021.

**Endowment Investment and Spending Policies**

The goal of the Organization's investment program for funds held as 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. To meet this investment objective, the Organization follows a total return strategy in which endowment assets are invested in The Oregon Community Foundation (OCF) as an endowment partner.

For the OCF funds, the Organization has adopted a spending policy based on the policies of its endowment partner, OCF, to determine the annual amount available for distributions from funds held as permanent endowment. Each year OCF sets an annual payout rate for the coming year based on a 10-year projection of investment return. Currently, if the projected 10-year return is 9% or above, the payout for grants will be 5% of market value; if the projected 10-year return is below 9%, the payout for grants will be 4-1/2% of market value. Market value is determined using a 13-quarter trailing average of fund market value.

**Cash and Cash Equivalents**

For purposes of these financial statements, all short-term, highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents. Cash and cash equivalents held for long-term investment purposes are excluded from cash and cash equivalents and are included in investments.

**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, 2021 totaled \$3,376,938.

**COLUMBIA RIVERKEEPER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2021**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Receivables**

Receivables are uncollateralized and stated at the amount management expects to collect. Approximately 37% of the 2021 receivables balance is due from one funder. The Organization makes an annual determination of the adequacy of the allowance for uncollectible grants and contributions receivable. Management believes no allowance is required as of December 31, 2021.

**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.

**Investments**

Investments are valued at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Net appreciation in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (decline) of those investments, is also shown in the statement of activities. Interest income is accrued as earned. See Note E for a discussion of fair value measurements.

**Functional Allocation of Expenses**

The costs of providing the programs and supporting services have been summarized in the statement of Activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Certain costs, including office expense, occupancy, leases and utilities have been allocated among the programs and supporting services benefited based primarily on estimates of time and effort.

**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.

**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, 2020, from which the summarized information was derived.



**COLUMBIA RIVERKEEPER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2021**

**NOTE C – GRANTS AND CONTRIBUTIONS RECEIVABLE**

The Organization has been awarded multi-year grants. Management has determined that the effect of an imputed interest rate is not material to the financial statements, and thus has not discounted the grants to present value. Grants and contributions receivable consist of the following at December 31, 2021:

Grants and contributions receivable expected to be collected in:	
Less than one year	\$ 618,282
One to five years	<u>20,000</u>
	<u>\$ 638,282</u>

**NOTE D – PROPERTY AND EQUIPMENT**

A summary of property and equipment at December 31, 2021 is as follows:

Furniture and equipment	\$ 33,329
Boat	<u>15,693</u>
	49,022
Less accumulated depreciation	<u>(36,487)</u>
	<u>\$ 12,535</u>

Depreciation expense for the year ended December 31, 2021 amounted to \$5,022.

**NOTE E – FAIR VALUE MEASUREMENTS**

Valuation techniques used to measure fair value are prioritized into the following hierarchy:

**Level 1** – Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities and bonds, mutual fund investments, exchange traded funds, and cash equivalents.

**Level 2** – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies.

**Level 3** – Unobservable inputs that reflect management’s assumptions and best estimates based on available data. Assets in this level include beneficial interest in assets held by others.

**COLUMBIA RIVERKEEPER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2021**

**NOTE E – FAIR VALUE MEASUREMENTS (CONTINUED)**

Fair value of the beneficial interest in assets held by others is determined by the Organization’s endowment partner, OCF, and is based upon the Organization’s proportionate interest in OCF’s endowment partner fund liability after adjustments for contributions and distributions made during the year. OCF’s endowment partner fund liability is stated at fair value, which is generally equivalent to the present value of future payments expected to be made to the endowment partners.

Realized and unrealized gains and losses from investments are reported in the statement of activities as they occur. There have been no changes in valuation techniques and related inputs.

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

	Level 1	Level 3	Fair Value Total
Cash and cash equivalents	\$ 262,185	\$ -	\$ 262,185
Exchange traded funds - short-term income	796,098	-	796,098
Equity investments	121,157	-	121,157
Beneficial interest in assets held by others	-	43,436	43,436
	\$ 1,179,440	\$ 43,436	\$ 1,222,876

For the year ended December 31, 2021, the change in investments classified as Level 3 is as follows:

Balance, December 31, 2020	\$ 39,428
Contributions invested	-
Total gains, losses, and interest included on the Statement of Activities	5,434
Distribution received	(1,426)
Balance, December 31, 2021	\$ 43,436

**NOTE F – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

During 2018, \$32,697 was transferred to the Oregon Community Foundation (OCF). Variance power was not granted to OCF unless the Organization ceases to exist or loses its tax-exempt status, and distributions in the amount of a reasonable rate of return determined by OCF will be distributed to the Organization each year.

**COLUMBIA RIVERKEEPER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2021**

**NOTE G – RESTRICTED AND ENDOWMENT NET ASSETS**

The Organization's net assets with donor restrictions are subject to the following purpose or time restrictions as of December 31, 2021:

Subject to purpose restrictions:	
Fossil fuel initiatives	\$ 115,042
Comunidades'	761,487
Stopping pollution	57,912
Saving salmon	204,484
Engaging communities	4,942
Clean water	25,000
PPFG	321,677
Hanford	74,331
Unappropriated endowment earnings	10,739
	<u>1,575,614</u>
Not subject to appropriation or expenditure:	
Endowment fund	32,697
	<u>32,697</u>
Total net assets with donor restrictions	<u>\$ 1,608,311</u>

The Organization's endowment includes donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment are classified and reported based on the existence or absence of donor imposed restrictions.

The following summarizes the Organization's endowment-related activities for the year ended December 31, 2021:

	With Donor Restrictions		
	Accumulated Endowment Return	Endowment Principal	Total Endowment
Endowment net assets at beginning of year	\$ 6,731	\$ 32,697	\$ 39,428
Net increase (decrease) in the beneficial interest in assets held by the Oregon Community Foundation	5,434	-	5,434
Appropriation by the Board for expenditures	<u>(1,426)</u>	<u>-</u>	<u>(1,426)</u>
Endowment net assets at end of year	<u>\$ 10,739</u>	<u>\$ 32,697</u>	<u>\$ 43,436</u>

**COLUMBIA RIVERKEEPER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2021**

**NOTE H – IN-KIND CONTRIBUTIONS**

A number of unpaid volunteers provide significant contributions of their time to develop and implement the Organization's programs. 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, 2021, the Organization recognized \$167,002 of contributed services for pro bono legal work.

**NOTE I – UNSECURED CREDIT BORROWINGS**

The Organization has unsecured credit cards with available limits of \$29,000 with \$10,706 included in accounts payable at December 31, 2021, which was paid the subsequent month.

**NOTE J – 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 contributed \$13,095 to this plan for the year ended December 31, 2021.

**NOTE K – OPERATING LEASE COMMITMENTS**

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

Year Ended December 31,	
2022	\$ 41,403
2023	25,542
2024	<u>9,600</u>
	<u>\$ 76,545</u>

Total rent expense for the year ended December 31, 2021 was \$35,600.

**COLUMBIA RIVERKEEPER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2021**

**NOTE L – LIQUIDITY**

The following chart represents the Organization's financial assets available to meet cash needs for general expenditures within one year of December 31, 2021:

Financial assets at year-end*	
Cash and cash equivalents	\$ 3,625,645
Investments	1,179,440
Receivables expected to be collected within one year	618,282
Beneficial interest in assets held by others	<u>43,436</u>
Total financial assets	<u>5,466,803</u>
Less those unavailable for general expenditure within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor for endowment	(32,697)
Subject to satisfaction of donor restrictions	<u>(1,575,614)</u>
Total unavailable financial assets	<u>(1,608,311)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,858,492</u>

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

The Organization's endowment funds consist of donor-restricted endowments. As described in Note B, the Organization's spending policy is to appropriate all investment earnings based on OCF's determination of the amount and distribution policy of 4.5-5%.

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

**NOTE M – UNCERTAINTY**

Beginning in March 2020, an outbreak of a coronavirus necessitated that many employees work from home and provided for social distancing measure. The effects of these events may continue for some time, including disruptions to or restrictions on employees' ability to work and on the ability of funders and members to fully participate in programs and continue their current level of financial support to the Organization. At the present time, the ultimate future effects of these issues are unknown.

**COLUMBIA RIVERKEEPER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2021**

**NOTE N – REFUNDABLE ADVANCE (PAYCHECK PROTECTION PROGRAM)**

In response to the global economic impact caused by the coronavirus pandemic, the US Small Business Administration (SBA) created the Paycheck Protection Program (PPP) “forgivable loan” to assist nonprofit organizations and for-profit enterprises with eligible payroll and certain specified operating costs. The loans are funded by the SBA through participating banks and are subject to specific conditions which if met will result in forgiveness of all or part of the loan.

The Organization recorded a refundable advance of \$219,369 during the year ended December 31, 2020. During the year ended December 31, 2021, the Organization received notice the full amount of the PPP loan was forgiven by the SBA and was recorded as revenue under the guidance of ASC 958-605.

**NOTE O – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through September 28, 2022 which is the date the financial statements were available to be issued.