
OREGON NATURAL DESERT ASSOCIATION

FINANCIAL STATEMENTS

**For the Year Ended
December 31, 2024**

OREGON NATURAL DESERT ASSOCIATION

CONTENTS

Independent Accountants' Review Report	1
Financial Statements:	
Statement of Financial Position.....	3
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows.....	7
Notes to Financial Statements	8



CAPSTONE

CERTIFIED PUBLIC ACCOUNTANTS, LLC

Bend · Sisters · Redmond · Prineville · Eugene · Medford · Klamath Falls · Lakeview
Boise · Sandpoint · Seattle

To the Board of Directors
Oregon Natural Desert Association
Bend, Oregon

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

We have reviewed the accompanying financial statements of Oregon Natural Desert Association (hereafter, "ONDA"), which comprise the statement of financial position as of December 31, 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; 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 misstatements whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of ONDA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

CAPSTONE CERTIFIED PUBLIC ACCOUNTANTS, LLC

735 SW 9th St., Redmond, OR 97756 phone: 541-548-3569 fax: 541-548-3580

Accountants' Conclusion:

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Capstone Certified Public Accountants, L.L.C.

Capstone Certified Public Accountants, L.L.C.

Redmond, Oregon

March 18, 2025

OREGON NATURAL DESERT ASSOCIATION

STATEMENT OF FINANCIAL POSITION

(See Independent Accountants' Review Report)

December 31, 2024

ASSETS

Current assets:

Cash and cash equivalents (Note 1)	\$ 1,712,664
Accounts receivable	68,615
Total current assets	1,781,279
Deposits	6,920
Investments	2,758,472
Beneficial interests (Note 3)	457,639
Right of use asset - operating (Note 7)	269,328
Property and equipment (Note 4)	54,988
Less accumulated depreciation	(53,948)
	1,040
	\$ 5,274,678

OREGON NATURAL DESERT ASSOCIATION

STATEMENT OF FINANCIAL POSITION - continued

(See Independent Accountants' Review Report)

December 31, 2024

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$	5,641
Accrued payroll		44,338
Accrued vacation		48,317
Deferred revenue (Note 5)		177,500
Lease liability - operating - current (Note 7)		72,169

Total current liabilities 347,965

Lease liability - operating - long-term (Note 7) 197,159

Total liabilities 545,124

Net assets (Notes 6):

Net assets without donor restrictions		4,154,207
Net assets with donor restrictions		575,347

Total net assets 4,729,554

\$ 5,274,678

OREGON NATURAL DESERT ASSOCIATION

STATEMENT OF ACTIVITIES (See Independent Accountants' Review Report)

For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities			
Support & revenue			
Grants	\$ 629,731	\$ 328,400	\$ 958,131
Contracts	2,750	-	2,750
Contributions	1,175,436	-	1,175,436
Events	8,941	-	8,941
Sales	20,827	-	20,827
Net assests released from restrictions	355,704	(355,704)	-
Total support and revenue	2,193,389	(27,304)	2,166,085
Expenses			
Program activities	1,756,641	-	1,756,641
Management and general	256,621	-	256,621
Fundraising activities	273,562	-	273,562
Total expenses	2,286,824	-	2,286,824
Net loss from operations	(93,435)	(27,304)	(120,739)
Non-operating income (loss)			
Unrealized gain on investments	133,081	38,925	172,006
Investment earnings	209,463	(400)	209,063
Reimbursements	29,663	-	29,663
Change in net assets	278,772	11,221	289,993
Net assets, beginning of the year	3,875,435	564,126	4,439,561
Net assets, end of year	\$ 4,154,207	\$ 575,347	\$ 4,729,554

The accompanying notes are an integral part of the financial statements.

OREGON NATURAL DESERT ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES

(See Independent Accountants' Review Report)

For the Year Ended December 31, 2024

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and benefits	\$ 1,137,562	\$ 173,926	\$ 187,870	\$ 1,499,358
Contract services	293,118	44,816	48,409	386,343
Travel	59,102	-	-	59,102
Occupancy	105,742	16,167	17,463	139,372
Supplies and maintenance	36,215	5,537	5,981	47,733
Events	17,463	-	2,381	19,844
Fees, dues and licenses	36,670	-	-	36,670
Printing	50,270	7,686	8,302	66,258
Postage and shipping	19,112	2,922	3,156	25,190
Insurance	-	5,567	-	5,567
Depreciation	1,387	-	-	1,387
	<u>\$ 1,756,641</u>	<u>\$ 256,621</u>	<u>\$ 273,562</u>	<u>\$ 2,286,824</u>

The accompanying notes are an integral part of the financial statements.

OREGON NATURAL DESERT ASSOCIATION

STATEMENT OF CASH FLOWS (See Independent Accountants' Review Report)

For the Year Ended December 31, 2024

Operating activities:

Change in net assets	\$ 289,993
Adjustments to reconcile change in net assets	
Depreciation	1,387
Unrealized gain on investments	(172,006)
(Increase) decrease in:	
Accounts receivable	(1,046)
Increase (decrease) in operating liabilities:	
Accounts payable	(1,491)
Accrued payroll	(119)
Accrued vacation	(6,580)
Deferred revenue	(1,000)

Net cash provided by operating activities	<u>109,138</u>
--	----------------

Investing activities:

Proceeds from sale of investments	4,166,696
Purchase of investments, net	(4,558,933)

Net cash used in investing activities	<u>(392,237)</u>
--	------------------

Net decrease in cash	(283,099)
-----------------------------	-----------

Cash, beginning of year	<u>1,995,763</u>
-------------------------	------------------

Cash, end of year	<u><u>\$ 1,712,664</u></u>
--------------------------	----------------------------

OREGON NATURAL DESERT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(See *Independent Accountants' Review Report*)

1 - Significant Accounting Policies

Nature of Activities

The Oregon Natural Desert Association (ONDA) was incorporated in the State of Oregon in 1989. ONDA is a nonprofit organization with a mission to protect, defend and restore Oregon's high desert for current and future generations.

Basis of Accounting

These financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The accompanying financial statements are prepared on the accrual basis of accounting as required under accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ONDA and changes therein are classified and reported as follows:

Net assets without donor restrictions – These funds account for unrestricted contributions and other unrestricted revenue. These funds provide for administration and operation of ONDA. Equipment acquisitions, including the recording of their cost and depreciation are also included in the unrestricted funds. net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of ONDA. These net assets may be used at the discretion of ONDA's management and board of directors. These funds accounting for unrestricted contributions and other unrestricted revenue.

Net assets with donor restrictions – These funds are used to account for the proceeds of specific revenue sources that are legally or contractually restricted to expenditures for specified purposes. Additionally, these funds account for the collection and disbursement of restricted contributions of which the income portion is, if not specifically required to be added to the capital, transferred to net assets without donor restrictions. Endowment funds are restricted in perpetuity. Investment earnings on endowment funds are considered to be without donor restrictions. net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of ONDA or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

OREGON NATURAL DESERT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - Continued

(See Independent Accountants' Review Report)

1 - Significant Accounting Policies - continued

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). ONDA groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 – Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 – Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets / liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset / liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, ONDA considers petty cash, certificates of deposits and all demand deposits to be cash and cash equivalents. Cash held by financial institutions is insured by the Federal Deposit Insurance Corporation up to \$250,000 for each institution. As of December 31, 2024, ONDA had cash bank balances of \$65,555 in excess of the FDIC limitations.

OREGON NATURAL DESERT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - Continued

(See Independent Accountants' Review Report)

1 - Significant Accounting Policies - continued

Accounts Receivable

Accounts receivable are stated at amounts expected to be received. Management believes all accounts receivable are collectible, and therefore, there is no allowance for credit losses. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. There were no credit losses during the year ended December 31, 2024.

Property and Equipment

Property and equipment is stated at historical cost, or if donated, at the estimated fair value at the date of donation. Furniture and equipment more than \$5,000 are capitalized and are depreciated over an estimated useful life of three to seven years using straight-line method of depreciation. Vehicles are depreciated over a useful life of five years.

Revenue Recognition

Primary revenues of the Organization are either recognized at a point in time when the services are provided and the performance obligations are satisfied or over the applicable service period and are categorized as follows:

Point in Time -

Revenues from sales and events are recognized at a point in time in the period in which the activities occur.

Applicable Service Period -

Revenues associated with contracts and reimbursements are recognized on a monthly basis over the calendar year.

OREGON NATURAL DESERT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - Continued

(See Independent Accountants' Review Report)

1 - Significant Accounting Policies - continued

Grants and contributions

Grants and contributions received as well as collectible unconditional promises to give are recognized in the period received. Grants and contributions are recorded as without donor restrictions and with donor restrictions depending on the existence and/or nature of any donor restrictions. Grants may be received prior to the applicable service period in which they are recorded as deferred revenue until the period in which applicable than recognized as revenue.

All donor-restricted contributions are reported as an increase in donor restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Releases totaled \$355,704 for the year ended December 31, 2024.

Income Taxes

ONDA is a not-for-profit organization that is exempt from Federal and State income taxes under Internal Revenue Code Section 501(c)(3). Therefore, no provision for federal or state taxes on income has been included in the financial statements. Tax positions for open tax years were reviewed and it was determined that no provision for uncertain tax positions is required.

Functional Allocation of Expenses

As required by FASB ASC 958, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

OREGON NATURAL DESERT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - Continued

(See Independent Accountants' Review Report)

1 - Significant Accounting Policies - continued

Leases

The Organization leases commercial office space. The Organization determines if an arrangement is a lease at inception. A contract contains a lease if the contract conveys the right to control the use of identified property or equipment (an identified asset) for a period of time in exchange for consideration. Amounts associated with operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, we use the incremental borrowing rate or a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The Organization has made the election to use risk-free rates as the discount rate for operating right of use assets. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization has made an accounting policy election to forgo applying the requirements for recognition to a short-term lease, 12 months or less, and alternatively, record the lease payments in the income statement on a straight-line basis over the term of the lease.

Date of Management's Review

Subsequent events have been evaluated through March 18, 2025, which is the date the financial statements were available to be issued. Management was unaware of any reportable material subsequent events that required disclosure.

OREGON NATURAL DESERT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - Continued

(See Independent Accountants' Review Report)

2 - Liquidity and Availability

The following represents the Organization's financial assets available within one year as of December 31, 2024:

Financial assets at year end:

Cash and cash equivalents	\$ 1,712,664
Accounts receivable	68,615
Investments	2,758,472
Beneficial interests (Note 3)	<u>457,639</u>
Total financial assets	4,997,390
Less deferred revenue (Note 5)	177,500
Less amounts not available to be used within one year:	
Net assets with donor restrictions (Note 6)	<u>575,347</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 4,244,543</u></u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash may be invested in short-term investments, including money market accounts and certificates of deposit.

OREGON NATURAL DESERT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - Continued

(See Independent Accountants' Review Report)

3 - Funds Held at Oregon Community Foundation

Beneficial interests in split-interest agreements held by others are recorded at the net present value of the estimated future amount to be received from such assets, revalued annually based on the fair value of investments on December 31. Perpetual trusts held by others are recorded at market value as reported by the trustee or custodian. The present value of charitable remainder trusts held by others is determined using discount rates based on the assumed rate of return on the trust assets and actuarially-determined expected lives of beneficiaries.

Contributions made to the Oregon Community Foundation Endowment Fund, an Oregon nonprofit corporation, become permanent funds of the Oregon Community Foundation for the Oregon Natural Desert Association Endowment Fund, if designated by the contributor. The Foundation distributes an appropriate percentage of the fair value of the principal and income of the Fund to the Oregon Natural Desert Association. The Fair value of the Stocks, Bonds and other in the amount of \$2,758,472 are considered to be level 1 investments. The fair value of the Oregon Community Foundation Fund in the amount of \$457,639 are considered to be level 1 investments.

4 - Property and Equipment

Property and equipment consist of the following at December 31, 2024:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Vehicles	54,988	53,948	1,040
	<u>\$ 54,988</u>	<u>\$ 53,948</u>	<u>\$ 1,040</u>

OREGON NATURAL DESERT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - Continued

(See Independent Accountants' Review Report)

5 - Deferred Revenue

Deferred revenues of ONDA consist of the following grants received for future periods:

Greater Hart Sheldon Conservation Fund	\$	100,000
First Interstate Bank		2,500
The Hugh and Jane Ferguson Foundation		10,000
Conservation Lands Foundation		30,000
Patagonia		15,000
Burning Foundation		20,000
	\$	<u>177,500</u>

6 - Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2024:

Grants - Program Restricted	\$	117,708
Endowment Funds (OCF)		457,639
	\$	<u>575,347</u>

7 - Leases

The organization has an operating lease for commercial office space. The organization lease has a remaining lease term until May 2028, at which time may include options to extend the lease to month to month, or options to terminate the lease.

OREGON NATURAL DESERT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - Continued

(See Independent Accountants' Review Report)

7 - Leases - continued

The following summarizes the line items in the balance sheet which include amounts for operation leases as of December 31, 2024:

Operating lease right of use assets	269,328
Operating lease liabilities - current	72,169
Operating lease liabilities - long-term	197,159

The components of lease expense that are included in the statement of income is as follows for December 31, 2024:

Operating lease cost	\$	55,500
----------------------	----	--------

Supplemental Cash Flows Information:

Operating cash flows from operating leases	55,500
--	--------

Weighted Average Remaining Lease Term

Operating leases	3.4 years
------------------	-----------

Weighted Average Discount Rate

Operating leases	3.4%
------------------	------

OREGON NATURAL DESERT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - Continued

(See Independent Accountants' Review Report)

7 - Leases - continued

Maturities of lease liabilities as of December 31, 2024 were as follows:

Years ending December 31,	
2025	74,041
2026	81,445
2027	91,000
2028	<u>39,182</u>
Total lease payments	\$ 285,668
Less imputed interest	<u>16,340</u>
Total	<u><u>269,328</u></u>

8 - Commitments and Contingencies

ONDA applies and receives grant funding that may require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although that is a possibility, the Board and management deems the contingency remote, since by accepting the grants and their terms, ONDA have designed and tailored ONDA's systems to comply with the requirements of the grants.

Periodically ONDA engages with third party attorneys for legal cases in which ONDA may receive a future fee reimbursement. The fee agreements are contingent upon receipt of final reimbursement. Due to the uncertain nature of timing, ONDA records reimbursement income and corresponding third party attorney fees in the period of receipt.

OREGON NATURAL DESERT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - Continued

(See Independent Accountants' Review Report)

9 - Revenue from Contracts

Revenue from contracts, the timing of revenue recognition, billings, and cash collections may result in accounts receivable (contract assets), deposits and deferred revenue (contract liabilities) on the statement of financial position.

The following is the organization's revenue disaggregated according to the timing of the transfer of goods and services:

Revenue recognized at a point in time:

Sales	\$	20,827	
Events		<u>8,941</u>	
	\$	<u><u>29,768</u></u>	

Revenue recognized over service period:

Contracts	\$	<u><u>2,750</u></u>	
-----------	----	---------------------	--

The following are the contract assets and contract liabilities for year ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Contract assets:		
Accounts receivable	<u>\$ 68,615</u>	<u>\$ 67,569</u>
Contract liabilities:		
Deferred revenue	<u>\$ 177,500</u>	<u>\$ 178,500</u>