Western Environmental Law Center

FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024

Jones & Roth
CPAs & Business Advisors

WESTERN ENVIRONMENTAL LAW CENTER
FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Western Environmental Law Center
Eugene, Oregon

Opinion

We have audited the accompanying financial statements of Western Environmental Law Center (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 Western Environmental Law Center as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Western Environmental Law Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Western Environmental Law Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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.

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 Western Environmental Law Center's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Western Environmental Law Center's ability to continue as a going concern for a reasonable period of time.

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

Jones & Roth P.C.

Jones & Roth, P.C.
Eugene, Oregon
September 1, 2026

FINANCIAL STATEMENTS

WESTERN ENVIRONMENTAL LAW CENTER
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

		2025		2024
Assets				
Current assets				
Cash and cash equivalents	$	908,452	$	1,221,433
Certificates of deposit, short-term		3,752,528		3,688,605
Accounts receivable		23,981		308,357
Grants and contributions receivable, current portion		1,071,749		1,204,507
Other receivables		56,141		49,942
Prepaid expenses		16,836		26,193
Total current assets		5,829,687		6,499,037
Equipment and furnishings				
Equipment and furnishings		159,254		138,407
Accumulated depreciation		(101,048)		(81,806)
Equipment and furnishings, net		58,206		56,601
Other assets				
Beneficial interest in the assets of community foundations		79,752		70,354
Grants and contributions receivable, net of current portion and unamortized discount		641,734		-
Deposits		10,650		12,830
Unemployment deposit		10,443		10,443
Operating lease right-of-use assets, net		159,738		221,191
Funds held in trust		17,786		36,351
Total other assets		920,103		351,169
Total assets	$	6,807,996	$	6,906,807

	2025	2024
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 27,891	$ 39,130
Credit cards payable	19,015	30,582
Payroll related liabilities	134,584	140,329
Operating lease liabilities, current portion	69,796	101,936
Total current liabilities	251,286	311,977
Other liabilities		
Funds held in trust	17,786	36,351
Operating lease liabilities, net of current portion	91,347	122,548
Total other liabilities	109,133	158,899
Total liabilities	360,419	470,876
Net assets		
Without donor restrictions:		
Board-designated	1,998,791	1,951,943
Undesignated	3,211,090	3,215,139
Total net assets without donor restrictions	5,209,881	5,167,082
With donor restrictions	1,237,696	1,268,849
Total net assets	6,447,577	6,435,931
Total liabilities and net assets	$ 6,807,996	$ 6,906,807

The accompanying notes are an integral part of these statements.

WESTERN ENVIRONMENTAL LAW CENTER
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Grants	$ 1,382,584	$ 1,438,750	$ 2,821,334
Contributions	1,684,323	42,600	1,726,923
Service fees and reimbursements	484,981	-	484,981
Education fees	22,000	-	22,000
In-kind donations	1,789	-	1,789
Miscellaneous	600	-	600
Investment income	177,434	-	177,434
Change in beneficial interest in the assets of community foundations	9,398	-	9,398
Net assets released from restrictions:			
Satisfaction of program restrictions	1,512,503	(1,512,503)	-
Total revenues, gains, and other support	5,275,612	(31,153)	5,244,459
Expenses			
Program	4,200,270	-	4,200,270
Management and general	460,208	-	460,208
Fundraising	572,335	-	572,335
Total expenses	5,232,813	-	5,232,813
Change in net assets	42,799	(31,153)	11,646
Net assets, beginning of year	5,167,082	1,268,849	6,435,931
Net assets, end of year	$ 5,209,881	$ 1,237,696	$ 6,447,577

The accompanying notes are an integral part of these statements.

WESTERN ENVIRONMENTAL LAW CENTER
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Grants	$ 620,000	$ 1,824,100	$ 2,444,100
Contributions	1,606,859	57,500	1,664,359
Service fees and reimbursements	1,064,707	-	1,064,707
Education fees	22,000	-	22,000
In-kind donations	6,231	-	6,231
Miscellaneous	1,200	-	1,200
Investment income	217,644	-	217,644
Change in beneficial interest in the assets of community foundations	5,441	-	5,441
Net assets released from restrictions:			
Satisfaction of program restrictions	1,447,903	(1,447,903)	-
Total revenues, gains, and other support	4,991,985	433,697	5,425,682
Expenses			
Program	3,722,340	-	3,722,340
Management and general	529,298	-	529,298
Fundraising	451,386	-	451,386
Total expenses	4,703,024	-	4,703,024
Change in net assets	288,961	433,697	722,658
Net assets, beginning of year	4,878,121	835,152	5,713,273
Net assets, end of year	$ 5,167,082	$ 1,268,849	$ 6,435,931

The accompanying notes are an integral part of these statements.

WESTERN ENVIRONMENTAL LAW CENTER
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	$ 11,646	$ 722,658
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	21,306	20,400
Change in beneficial interest in the assets of community foundations	(9,908)	(5,441)
Amortization of operating lease right-of-use assets	101,130	121,159
Unrealized (gain) loss on certificates of deposit	(248,923)	(257,963)
Loss on disposal of fixed assets	135	-
Gain on lease remeasurement	(1,768)	-
(Increase) decrease in:		
Accounts receivable	284,376	(267,195)
Grants and contributions receivable	(508,976)	(536,850)
Prepaid expenses	9,357	1,346
Other receivables	(6,199)	9,042
Deposits	2,180	(1,912)
Increase (decrease) in:		
Accounts payable	(11,239)	7,092
Credit card payable	(11,567)	9,792
Payroll related liabilities	(5,745)	26,559
Operating lease liabilities	(101,250)	(120,489)
Net cash used by operating activities	(475,445)	(271,802)
Cash flows from investing activities		
Purchases of equipment	(23,046)	(15,703)
Distributions from beneficial interests	510	-
Proceeds from maturity of certificates of deposit	4,685,000	5,400,000
Investment in certificates of deposit	(4,500,000)	(5,085,000)
Net cash provided by investing activities	162,464	299,297
Net increase (decrease) in cash and cash equivalents	(312,981)	27,495
Cash and cash equivalents, beginning of year	1,221,433	1,193,938
Cash and cash equivalents, end of year	$ 908,452	$ 1,221,433
Schedule of noncash activities		
Operating lease right-of-use asset obtained in exchange for lease obligation	$ -	$ 138,772
Noncash change in operating lease right-of-use assets and lease obligations due to lease remeasurement events	$ 39,677	$ -

The accompanying notes are an integral part of these statements.

WESTERN ENVIRONMENTAL LAW CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025

		Support Services		
	Program Services	Management and General	Fundraising	Total Expenses
Salaries	$ 2,714,955	$ 300,342	$ 339,769	$ 3,355,066
Payroll taxes	219,393	24,270	27,456	271,119
Payroll benefits	424,002	46,905	53,063	523,970
Litigation:				
Communication	92,403	-	-	92,403
Education and licensure	96,666	-	-	96,666
Experts	67,077	-	-	67,077
Travel and meals	201,611	-	-	201,611
Other	52,476	-	-	52,476
Communications	12,387	1,371	1,550	15,308
Depreciation	17,241	1,907	2,158	21,306
General insurance	9,803	1,085	1,227	12,115
Professional services	32,919	18,641	15,970	67,530
Operating lease expense and rents	113,471	12,553	14,200	140,224
Repairs	4,142	459	518	5,119
Small equipment	967	107	121	1,195
Utilities	6,805	753	852	8,410
Education and outreach	133,952	-	-	133,952
Printing and postage	-	702	77,401	78,103
Supplies	-	18,947	182	19,129
Technology	-	-	13,603	13,603
Board expense	-	16,110	-	16,110
Bad debt	-	5,750	-	5,750
Staff development and training	-	392	793	1,185
Office expenses	-	9,914	-	9,914
Other expenses	-	-	23,472	23,472
Total functional expenses	$ 4,200,270	$ 460,208	$ 572,335	$ 5,232,813

The accompanying notes are an integral part of these statements.

WESTERN ENVIRONMENTAL LAW CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

		Support Services		
	Program Services	Management and General	Fundraising	Total Expenses
Salaries	$ 2,385,692	$ 330,789	$ 248,680	$ 2,965,161
Payroll taxes	185,439	25,712	19,330	230,481
Payroll benefits	355,092	49,236	37,014	441,342
Litigation:				
Communication	50,506	-	-	50,506
Education and licensure	87,704	-	-	87,704
Experts	107,161	-	-	107,161
Travel and meals	212,390	-	-	212,390
Other	40,188	-	-	40,188
Communications	10,259	1,422	1,069	12,750
Depreciation	16,413	2,276	1,711	20,400
General insurance	13,316	1,846	1,388	16,550
Professional services	-	62,667	19,286	81,953
Operating lease expense and rents	118,522	16,434	12,354	147,310
Repairs	4,866	675	507	6,048
Small equipment	1,278	178	133	1,589
Utilities	6,390	886	666	7,942
Education and outreach	127,124	-	-	127,124
Printing and postage	-	905	75,331	76,236
Supplies	-	11,094	749	11,843
Technology	-	-	13,534	13,534
Board expense	-	15,150	-	15,150
Staff development and training	-	528	760	1,288
Office expenses	-	9,500	-	9,500
Other expenses	-	-	18,874	18,874
Total functional expenses	$ 3,722,340	$ 529,298	$ 451,386	$ 4,703,024

The accompanying notes are an integral part of these statements.

1. Nature of Operations and Summary of Significant Accounting Policies

Organization

Western Environmental Law Center's (WELC) mission is to use the power of the law to safeguard the public lands, wildlife, and communities of the Western U.S. in the face of a changing climate. WELC's fee and reimbursements income consists of legal awards, settlements, and fees from public interest environmental legal cases.

Basis of Accounting

WELC's financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of WELC and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* - Net assets that are not subject to donor-imposed stipulations or restrictions.

- *Net assets with donor restrictions* - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the WELC and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Income Tax Status

WELC is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, WELC qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). WELC files required informational returns with both the U.S. federal jurisdiction and the State of Oregon.

Cash and Cash Equivalents

WELC's cash and cash equivalents consists of cash on hand, demand deposits, money market accounts, and certificates of deposit with original maturities of three months or less, with multiple financial institutions.

Certificates of Deposit

Certificates of deposit consists of certificates of deposit with an original maturity greater than three months. Certificates of deposit are recorded at fair market value. Certificates of deposit are classified between current and non-current assets based on respective maturity dates.

1. Nature of Operations and Summary of Significant Accounting Policies, continued

Accounts Receivable and Allowance for Credit Losses

Some of WELC's program services are performed on a contingency fee basis. No interest on receivables is charged unless court ordered. No receivables for services are booked until final settlement is reached. If there is a contractual agreement for WELC to receive payment for fees and/or costs directly from the client, then WELC will book that receivable as it is earned. Management evaluates collectability of receivables on a case-by-case basis based on historical experience, current conditions including the aging of the receivables, and subsequent collections, and may allow for receivables for which management is uncertain of collection. If associated with an active case, those costs may ultimately be recovered through a settlement or court decision. Receivables are written off only after all collection efforts have been exhausted. Receivables are unsecured.

Grants and Contributions Receivable

Grants and contributions receivable are uncollateralized and recognized when the unconditional promises to give are made. Long-term promises to give are discounted to the present value of estimated future cash flows. Management has assessed the collectability of grants and contributions receivable as of December 31, 2025 and 2024, and considers the amount fully collectible; therefore, management has elected not to record an allowance. Grants and contributions receivable are stated at the amount WELC expects to collect.

Other Receivables

Other receivables consist primarily of accrued interest receivable on certificates of deposit.

Property and Equipment

Property and equipment is comprised of equipment and furnishings. Depreciation of equipment and furnishings is provided over the estimated useful lives, using the straight-line method. Estimated useful lives of equipment and furnishings range from five to ten years. Purchased assets are recorded at historical cost. Donated assets are recorded at fair value at date of contribution. Additions, betterments, and replacements are capitalized. Expenditures for normal maintenance and repairs and replacements are charged to expense as incurred.

Leases

WELC determines if an arrangement is or contains a lease at inception. Operating leases, wherein WELC is the lessee, are included in right-of-use (ROU) assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. WELC does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Short-term leases are recognized on a straight-line basis over the term of the lease. WELC's accounting policy is to not separate non-lease components and lease components when determining ROU assets and lease liabilities for all asset classes. WELC has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments for all asset classes.

1. Nature of Operations and Summary of Significant Accounting Policies, continued

Revenue Recognition

Grants and contributions are recognized as revenue when the unconditional contribution or grant is promised or made and are recorded as support that is either with or without donor restrictions. Classification is based on the existence and nature of any donor restrictions imposed on the contribution. Support that is restricted by the donor is reported as restricted revenues and is released to net assets without donor restrictions when the restriction is met.

Service fees and reimbursement revenue is recognized when the related services have been rendered by WELC. A portion of service fee revenue is considered variable consideration as it is based on the future unknown outcome of the cases being litigated and any awarded funds for attorney fees and/or settlement amounts. The variable consideration is considered subject to constraint and is included in the transaction price (and therefore revenue) for the contract only after management has determined that it is probable that a significant reversal in the amount of revenue recognized will not occur, which is generally after the court has issued its ruling on the case or settlement of the case has been reached. Fee and reimbursement revenue is considered to be without donor restrictions.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited using direct costs to determine an overhead rate for the allocation.

Subsequent Events

Management evaluates events and transactions that occur after the statement of financial position date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor’s report.

Recent Accounting Standard Adopted

During the year ended December 31, 2025, WELC adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2025-05 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. WELC adopted the practical expedient to assume, when developing its estimate for credit losses, that current conditions as of the statement of financial position date do not change for the remaining life of the asset. WELC also adopted the practical expedient to make the accounting policy election to consider collection activity after the statement of financial position date when estimating expected credit losses. WELC evaluated subsequent cash collections through the date of the independent auditor’s report. The accounting standard update was applied prospectively from the date of adoption.

2. Liquidity and Availability of Resources

WELC has a policy to manage its liquidity and reserves in order to meet its needs to fund operating expenditures. At December 31, 2025 and 2024, WELC's financial assets, reduced by amounts not available for general expenditures within one year, are comprised of the following:

	2025	2024
Cash and cash equivalents	$ 908,452	$ 1,221,433
Current receivables	1,151,871	1,562,806
Certificates of deposit, short-term	3,752,528	3,688,605
Financial assets	5,812,851	6,472,844
Less amounts not available for general expenditure within one year:		
Amounts with donor-imposed restrictions	(595,962)	(1,268,849)
Board-designated reserve	(1,998,791)	(1,951,943)
Financial assets available for general expenditure within one year	$ 3,218,098	$ 3,252,052

The Board of Directors has designated a portion of WELC's net assets without donor restrictions to be reserved for three purposes: to provide for WELC's operations in the event of a revenue shortfall, to create a means to fund special projects that are not otherwise funded, and to contribute to the beneficial interest in the assets of community foundations or another revenue-generating tool for WELC. WELC has a reserve fund management policy that outlines the investment policy for the reserve fund, which is to invest in low-risk, high yield, socially responsible investments, and the method by which contributions and withdrawals are made to and from the reserve. The board designated funds are held in savings and money market accounts and certificates of deposit.

3. Accounts Receivable

As of December 31, 2025 and 2024, accounts receivable consisted primarily of fees from legal actions and contracted services. Management periodically evaluates the collectability of receivables. Management considers the amounts fully collectible; therefore, no allowance for credit losses have been recorded. Receivables are written-off as uncollectible when all avenues for collection have been exhausted.

As of December 31, accounts receivable consisted of the following:

	2025	2024
Fees and settlements from legal actions	$ 10,000	$ 294,576
Contracted services and other receivables	13,981	13,781
Total accounts receivable	$ 23,981	$ 308,357

Beginning of year accounts receivable balances were $308,357 and $41,162 at January 1, 2025 and 2024, respectively.

4. Grants and Contributions Receivable

At December 31, grants and contributions receivable consisted of the following:

	2025	2024
Amounts receivable in:		
Less than one year	$ 1,071,749	$ 1,204,507
One to five years	672,500	-
Total grants and contributions receivable	1,744,249	1,204,507
Less: unamortized discount	(30,766)	-
Grants and contributions receivable, net	$ 1,713,483	$ 1,204,507

Grants and contributions receivable consist of unconditional promises to give. The unamortized discount on long-term grants and contributions receivable was calculated using a discount rate of 3.48 percent.

5. Funds Held in Trust

WELC maintains separate bank accounts for funds held in trust. These funds are mostly comprised of attorney retainers and fee recoveries. These funds are held in trust until they are distributed to the appropriate parties.

6. Concentration of Deposit and Credit Risk

WELC maintains cash and cash equivalents balances that at times exceed the Federal Deposit Insurance Corporation (FDIC) depository insurance limit of $250,000 and/or the Securities Investor Protection Corporation (SIPC) insurance limits of $500,000. At December 31, 2025 and 2024, WELC's cash and cash equivalent balances exceeded insurance limits by $64,256 and $22,598, respectively.

WELC has accounts receivable from various parties under the terms of contracts and settlement agreements. At December 31, 2025, 99.04 percent of the total accounts receivable balance was due from two organizations. At December 31, 2024, 71.93 percent of total accounts receivable balance was due from one organization.

At December 31, 2025, 76.81 percent of the total grants and contributions receivable balance was due from two parties. At December 31, 2024, 49.81 percent of the total grants and contributions receivable balance was due from two parties.

7. Beneficial Interest in the Assets of Community Foundations

In 2007, a board designated endowment fund (OCF Fund) was established at the Oregon Community Foundation (OCF). The OCF Fund is used by OCF as the source of unrestricted grants for WELC. The agreement with OCF stipulates that the OCF Fund shall be held and owned by OCF. OCF may distribute, on an annual basis, a fixed percentage of the Fund assets. The percentage is determined by the Board of Directors of OCF. The agreement also provides that, upon written request from a majority of the Board of Directors of OCF, additional distributions may be made from the Fund assets, even to the exhaustion of the OCF Fund.

7. Beneficial Interest in the Assets of Community Foundations, continued

The following schedule summarizes the activity of the OCF Fund, reported at fair value, for the years ended December 31:

	2025	2024
Interest and dividends	$ 517	$ 439
Realized gains	(26)	(56)
Unrealized gains (loss)	8,811	5,069
Investment management fees	(144)	(146)
OCF fees	(315)	(288)
Net change	8,843	5,018
Beginning balance	59,555	54,537
Ending balance	$ 68,398	$ 59,555

In 2022, a board designated endowment fund (SVCF Fund) was established at the Silicon Valley Community Foundation (SVCF). The SVCF Fund is used by SVCF as the source of unrestricted grants for WELC. The agreement with SVCF stipulates that the SVCF Fund shall be held and owned by SVCF. SVCF may distribute, on an annual basis, a fixed percentage of the Fund assets. The percentage is determined by the Board of Directors of SVCF. The agreement also provides that, upon written request from a majority of the Board of Directors of SVCF, additional distributions may be made from the Fund assets, even to the exhaustion of the SVCF Fund.

The following schedule summarizes the activity of the SVCF Fund, reported at fair value, for the years ended December 31:

	2025	2024
Interest and dividends	$ 95	$ 99
Realized gains (loss)	789	104
Unrealized gains (loss)	554	1,093
Distributions	(510)	
SVCF fees	(373)	(873)
Net change	555	423
Beginning balance	10,799	10,376
Ending balance	$ 11,354	$ 10,799

8. Net Assets

As of December 31, net assets with donor restrictions were available for:

	2025	2024
Litigation and grant programs	$ 595,962	$ 1,268,849
Litigation and grant programs – time restricted	641,734	-
Total net assets with donor restrictions	$ 1,237,696	$ 1,268,849

9. Lease Commitments as Lessee

Certain WELC lease agreements include variable payments based on actual future costs to be incurred and others include payments adjusted periodically for inflation. As these future payments are not determinable at the lease commencement, they are not included in the measurement of the lease asset and liabilities. WELC's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Some of WELC's leases include one or more options to renew. Only lease options that WELC believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.

Information about WELC's leases as of and for the years ended December 31 are as follows:

	2025	2024
Components of lease cost:		
Operating lease cost	$ 106,443	$ 128,901
Variable lease cost	9,613	1,563
Short-term lease cost	24,168	16,846
Total lease cost	$ 140,224	$ 147,310
Cash flow information:		
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	$ (106,537)	$ (128,231)
Right-of-use lease assets obtained in exchange for lease liabilities:		
Operating leases	$ -	$ 138,772
Noncash change in operating lease right-of-use assets and lease obligations due to lease remeasurement events	$ 39,677	$ -
Summary of lease-related assets and liabilities:		
Operating lease right-of-use assets	$ 294,567	$ 391,666
Accumulated amortization	(134,829)	(170,475)
Operating lease right-of-use assets, net	$ 159,738	$ 221,191
Current operating lease liabilities	$ 69,796	$ 101,936
Noncurrent operating lease liabilities	91,347	122,548
Total operating lease liabilities	$ 161,143	$ 224,484
Weighted-average remaining lease term:		
Operating leases	2.7 years	2.7 years
Weighted-average discount rate:		
Operating leases	3.70%	3.65%

9. Lease Commitments as Lessee, continued

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

Year Ended December 31,		
2026	$	74,206
2027		45,749
2028		39,136
2029		9,844
2030		-
Thereafter		-
Total future undiscounted		168,935
Less: interest		(7,792)
Present value of lease liabilities	$	161,143

10. Concentrations of Revenue Sources

For the year ended December 31, 2025, 66.73 percent of the total grants came from five grantors which comprised 35.65 percent of total revenues, gains, and other support. For the year ended December 31, 2024, 63.42 percent of the total grants came from five grantors which comprised 28.57 percent of total revenues, gains, and other support. For the year ended December 31, 2025, 30.99 percent of the total contributions came from four donors which comprised 10.13 percent of total revenues, gains, and other support. For the year ended December 31, 2024, 30.87 percent of the total contributions came from three donors which comprised 9.47 percent of total revenues, gains, and other support.

11. Fair Value of Financial Instruments

U.S. GAAP provides the framework for measuring fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability; in the absence of a principal market, the most advantageous market. WELC classifies certain of its assets and liabilities based upon the established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that WELC has the ability to access at the measurement date;

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly; and

11. Fair Value of Financial Instruments, continued

Level 3: Unobservable inputs for the asset or liability that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Certificates of deposit held in brokerage account: Valued using quoted market prices for identical assets in inactive markets, which is considered a Level 2 input.

Money market funds held in brokerage account: Valued using quoted market prices for identical assets in inactive markets, which is considered a Level 2 input.

Beneficial interest in the assets of community foundations: Valued at the beneficial interest in assets held at the fair value of WELC's share in the investment pool as of the measurement date. The investment pool is based on quoted net asset values of underlying investments held by the investment pool adjusted by a net asset charge. The investment pool holds investments valued with all three levels of inputs; therefore, the financial instrument is categorized within the valuation hierarchy using Level 3 inputs, the lowest level input significant to the fair value measurement.

The following table sets forth by level, within the fair value hierarchy, WELC's assets at fair value as of December 31, 2025:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ -	$ 3,752,528	$ -	$ 3,752,528
Money market funds	-	247,414	-	247,414
Beneficial interest in the assets of SVCF	-	-	11,355	11,355
Beneficial interest in the assets of OCF	-	-	68,397	68,397
Total fair value assets measured on a recurring basis	$ -	$ 3,999,942	$ 79,752	$ 4,079,694

11. Fair Value of Financial Instruments, continued

The following table sets forth by level, within the fair value hierarchy, WELC's assets at fair value as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Certificate of deposit	$ -	$ 3,688,605	$ -	$ 3,688,605
Money market funds	-	455,019	-	455,019
Beneficial interest in the assets of SVCF	-	-	10,799	10,799
Beneficial interest in the assets of OCF	-	-	59,555	59,555
Total fair value assets measured on a recurring basis	$ -	$ 4,143,624	$ 70,354	$ 4,213,978

12. Defined Contribution Pension Plan

Effective April 1, 2011, WELC sponsored a 401(k) deferred compensation plan, with a Safe Harbor plan. Effective January 1, 2016, the plan was amended to include employer matching contributions. During the years ended December 31, 2025 and 2024, WELC contributed $128,280 and $105,404, respectively, to the plan as employer matching contributions.

13. Contingencies

WELC has elected to self-insure for unemployment in Oregon. The contingent liability is not subject to measurement. In 2025 and 2024, there were zero and two former employees who had been separated from service and were within the unemployment look back period, respectively. The State of Oregon Employment Department required WELC to hold separately an unemployment reserve with a minimum balance of $10,443 at December 31, 2025 and 2024, respectively.

14. Compensated Absences

WELC accrues earned vacation time. The amount payable at December 31, 2025 and 2024 was $89,377 and $93,317, respectively. WELC has a sabbatical program under which employees can earn three months of paid leave every five years of employment. No amount is accrued for sabbatical time as the liability is not subject to reasonable estimation.

15. Credit Card Lines of Credit

Certain WELC employees use WELC credit cards for organizational expenses. At December 31, 2025 and 2024, the combined balance on these cards was $19,015 and $30,582, respectively. As of December 31, 2025 and 2024, the combined available credit on all the cards was $25,985 and $14,418, respectively. At December 31, 2025 and 2024, there were credit cards being held by 30 and 27 employees, respectively.

16. Subsequent Events

In April 2026, WELC entered into an operating lease agreement for office space located in Santa Fe, New Mexico. The lease commenced May 1, 2026 for a term of 84 months. Monthly base rent is $3,514 for the first year, and increases by 3 percent each subsequent year thereafter on the anniversary of the lease commencement date. The agreement also calls for monthly common area maintenance (CAM) charges of $1,171 at the lease commencement, and are subject to adjustment annually. WELC has the option to renew the lease for an additional three-year term, under the same terms and conditions contained in the agreement.

In March 2026, WELC entered into an operating lease agreement for office space located in Helena, Montana. The lease commenced April 1, 2026 for a term of 60 months. Monthly base rent is $3,870 for the first eleven months, and increases by 2.75 percent each subsequent year thereafter on the anniversary of the lease commencement date. WELC has the option to renew the lease for two additional three-year terms, under the same terms and conditions contained in the agreement.