

**OREGON COUNTRY FAIR**

**FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2022**

OREGON COUNTRY FAIR  
FINANCIAL STATEMENTS  
For the Year Ended December 31, 2022

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Oregon Country Fair  
Eugene, Oregon

We have reviewed the accompanying financial statements of Oregon Country Fair (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statement 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 entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagements 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 as a basis for reporting whether we are aware of any 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 Oregon Country Fair and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountant's Conclusion**

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

*GreenGrowthCPAs*

GreenGrowthCPAs  
Los Angeles, California

July 18, 2023

## FINANCIAL STATEMENTS

OREGON COUNTRY FAIR  
STATEMENT OF FINANCIAL POSITION  
December 31, 2022

**Assets**

**Current assets**

Cash and cash equivalents	<u>\$ 1,878,677</u>
Total current assets	1,878,677

**Land, buildings, improvements, and equipment, net** 2,607,549

**Board-designated Endowment Fund**

Beneficial interest in the assets of The Oregon Community Foundation	567,344
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**Other assets**

Certificates of deposit, long-term	<u>371,877</u>
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**Total assets** \$ 5,425,447

## Liabilities and Net Assets

### Current liabilities

Accounts payable	\$ 4,972
Accrued payroll expenses	<u>23,381</u>
Total liabilities	<u>28,353</u>

### Net assets

Without donor restrictions:	
Unrestricted	4,561,211
Board designated Green Tickets	35,000
Board designated endowment	<u>612,609</u>
	5,208,820
With donor restrictions	<u>188,274</u>
Total net assets	<u>5,397,094</u>

**Total liabilities and net assets** \$ 5,425,447

See independent accountant's review report and accompanying notes,  
which are an integral part of these statements.

OREGON COUNTRY FAIR  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, gains, and other support</b>			
Event Income:			
Fair admission, registration, and passes	\$ 2,150,739	\$ -	\$2,150,739
Youth program	815	-	815
Event sales, net of cost of goods sold of \$ 119,793 in 2022	44,584	123	44,707
Donations:			
Youth program grants and donations	-	6,610	6,610
Donations and grants	42,561	120,084	162,645
State of Oregon operating grant	-	224,850	224,850
Investment Income:			
Interest Income	1,774	-	1,774
Endowment investment income, net of expenses	(141,093)	-	(141,093)
Other Income:			
Miscellaneous revenues	69,684	-	69,684
Net assets released from restrictions	1,883,696	(1,883,696)	-
<b>Total revenues, gains, and other support</b>	<b>4,052,760</b>	<b>(1,532,029)</b>	<b>2,520,731</b>
<b>Expenses</b>			
Program services:			
Oregon Country Fair event	2,037,266	-	2,037,266
Youth programs	78,433	-	78,433
Land and facility stewardship	331,336	-	331,336
Community outreach, public education and philanthropy	106,037	-	106,037
<b>Total program services</b>	<b>2,553,072</b>	<b>-</b>	<b>2,553,072</b>
Supporting services:			
Management and general	387,472	-	387,472
Fundraising	31,406	-	31,406
<b>Total supporting services</b>	<b>418,878</b>	<b>-</b>	<b>418,878</b>
<b>Total expenses</b>	<b>2,971,950</b>	<b>-</b>	<b>2,971,950</b>
<b>Change in net assets</b>	<b>1,080,810</b>	<b>(1,532,029)</b>	<b>(451,219)</b>
Net assets, beginning of year	4,128,010	1,720,303	5,848,313
Net assets, end of year	5,208,820	188,274	5,397,094

See independent accountant's review report and accompanying notes,  
which are an integral part of these statements.

OREGON COUNTRY FAIR  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2022

	Program Services				Total Program Services
	Oregon Country Fair Event	Youth Programs	Land and Facility Stewardship	Community Outreach, Public Education, and Philanthropy	
<b>Salaries and related expenses</b>					
Salaries and wages	\$ 170,948	\$ 32,562	\$ 128,211	\$ 18,316	\$ 350,037
Payroll taxes	18,394	3,504	13,795	1,971	37,663
Employee benefits	<u>37,476</u>	<u>7,138</u>	<u>28,107</u>	<u>4,015</u>	<u>76,736</u>
 Total salaries and related expenses	 <u>226,817</u>	 <u>43,203</u>	 <u>170,113</u>	 <u>24,302</u>	 <u>464,436</u>
<b>Operating expenses</b>					
Community radio program	-	-	-	17,405	17,405
Depreciation	15,744	2,999	11,808	1,687	32,237
Grants and awards	-	-	-	51,345	51,345
Insurance	23,333	4,444	17,500	2,500	47,777
Interest	1	-	1	-	2
Land/site maintenance	-	-	84,013	-	84,013
Legal and professional	16,693	3,180	12,520	1,789	34,180
Office and supplies	10,596	2,018	7,947	1,135	21,696
Outreach events and services	-	-	-	1,955	1,955
Other taxes	1,424	271	1,068	153	2,915
Property tax and permits	9,765	1,860	7,324	1,046	19,994
Telephone and computer	7,257	1,382	5,443	778	14,859
Utilities	8,061	1,535	6,045	864	16,505
Crew expenses	926,431	-	-	-	926,431
Youth program	-	15,621	-	-	15,621
Other event costs	781,071	-	-	-	781,071
Management and organizational	-	-	-	-	-
Fuel and propane	8,535	1,626	6,402	915	17,477
Repairs	<u>1,540</u>	<u>293</u>	<u>1,155</u>	<u>165</u>	<u>3,153</u>
 Total operating expenses	 <u>1,810,448</u>	 <u>35,230</u>	 <u>161,223</u>	 <u>81,735</u>	 <u>2,088,636</u>
 Total functional expenses	 <u>\$ 2,037,266</u>	 <u>\$ 78,433</u>	 <u>\$ 331,336</u>	 <u>\$ 106,037</u>	 <u>\$ 2,553,072</u>



Supporting Services

<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
\$ 162,808	\$ 16,281	\$ 529,125
17,518	1,752	56,933
<u>35,691</u>	<u>3,569</u>	<u>115,996</u>
<u>216,017</u>	<u>21,602</u>	<u>702,054</u>
-	-	17,405
14,994	1,499	48,730
-	-	51,345
22,222	2,222	72,220
1	-	3
-	-	84,013
15,898	1,590	51,668
10,091	1,009	32,796
-	-	1,995
1,356	136	4,407
9,300	930	30,224
6,911	691	22,462
7,677	768	24,950
-	-	926,431
-	-	15,621
-	-	781,071
73,411	-	73,411
8,129	813	26,419
<u>1,466</u>	<u>147</u>	<u>4,766</u>
<u>171,455</u>	<u>9,804</u>	<u>2,269,896</u>
<u>\$ 387,472</u>	<u>\$ 31,406</u>	<u>\$ 2,971,950</u>

See independent accountant's review report and accompanying notes,  
which are an integral part of these statements.

OREGON COUNTRY FAIR  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2022

**Cash flows from operating activities**

Change in net assets	\$ (451,219)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	48,730
Forgiveness of second Paycheck Protection Program loan	(102,880)
Net change in beneficial interest in The Oregon Community Foundation	141,093
Increase (decrease) in:	
Accounts payable	(5,512)
Accrued payroll expenses	5,811
(Increase) decrease in:	
Prepaid expenses	32,307
Accounts receivable	<u>555</u>
Net cash used by operating activities	<u>(331,115)</u>

**Cash flows from investing activities**

Purchase of fixed assets	(38,214)
Reinvested interest in certificates of deposit	(1,002)
Distributions from The Oregon Community Foundation	<u>25,399</u>
Net cash used by investing activities	<u>(13,817)</u>

**Cash flows from financing activities**

Proceeds from second Paycheck Protection Program loan	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(344,932)</b>
Cash and cash equivalents, beginning of year	<u>2,223,609</u>
Cash and cash equivalents, end of year	<u>\$ 1,878,677</u>

See independent accountant's review report and accompanying notes,  
which are an integral part of these statements.

OREGON COUNTRY FAIR  
NOTES TO FINANCIAL STATEMENTS

**1. Nature of Operations and Summary of Significant Accounting Policies**

**Nature of Operations**

Oregon Country Fair (OCF) provides the program services listed below to Lane County communities. These programs are funded primarily by revenue from the Oregon Country FairEvent. OCF creates events and experiences that nourish the spirit, explore living artfully and authentically on Earth, and transform culture in magical, joyous, and healthy ways.

**Oregon Country Fair Event** - OCF creates a three-day celebration of world class entertainment, hand-made foods and crafts, educational displays, and magical surprises. This event offers to nourish participants' spirits, explores living artfully and authentically on Earth, and transforms culture in magical, joyous, and healthy ways.

**Youth Programs** - OCF youth programs are arts-based, leadership-oriented programs designed to explore relevant issues, inspire the creativity within, and discover the voice of youth in our community. Culture Jam is a week-long camp for youth of diverse backgrounds to gather and explore creative expression and artistic endeavors as a means to participate in the world.

**Community Outreach, Public Education, and Philanthropy** - OCF works with its membership and other community organizations to educate and gain practical skills, network, and share resources and information. OCF volunteers also operate a low power FM radiostation with broadcasts including public service information and community programming. The station offers training programs for local high school students and OCF staff, and can be used for community emergency responses, if necessary. OCF philanthropy supports local community efforts which express its values and purpose – supporting art and education, cultural projects, peace efforts, and environmental stewardship to basic needs.

**Land and Facility Stewardship** - Stewardship of OCF's land and facilities is guided by its Land Use Management Plan (LUMP), the participation of numerous volunteer crews (Vegetation Management and Erosion Control, Archaeology, Construction Crew, Garden, Recycling, etc.), and volunteer committees (PeachPower, LUMP, Archaeology, Food, Path Planning, etc.). Reverence for the land and maintaining a light footprint are overarching values guiding stewardship decisions.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues and expenses are recognized in the period in which they are incurred. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of OCF and changes therein are classified and reported as follows:

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

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

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

### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

### **Cash and Cash Equivalents**

Cash consists of cash on hand and demand deposits with financial institutions. At times, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2022, OCF's uninsured balance totaled \$1,176,688.

### **Certificates of Deposit**

Certificates of deposit are reported at cost plus interest earned.

### **Land, Buildings, Improvements, and Equipment**

Land, buildings, improvements, and equipment that have been purchased are stated at cost. Contributions of equipment are recorded at their fair value at the date of donation. Buildings, improvements, and equipment are depreciated using the straight-line method over their estimated useful lives. It is the practice of management to capitalize land, buildings, improvements, and equipment purchases and capital improvements in excess of \$1,000.

### **Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

### **Beneficial Interest in the Assets of The Oregon Community Foundation**

Income or loss on the investments held by The Oregon Community Foundation (the Foundation), including unrealized gains and losses on the investments, interest, and dividends, are included as components of investment income, and are considered without donor restriction. See Note 5 for additional information.

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

## **Donations**

OCF reports grants and other contributions as restricted support if they are received with donor restrictions on the use of the donated asset. When a donor 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. OCF reports net assets with donor restrictions as net assets without donor restrictions when the restrictions are met in the same year.

## **Expense Allocation**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Payroll and related costs are allocated on the basis of estimates of employee time and effort. Some expenses are considered indirect expenses and require allocation on a reasonable basis that is consistently applied. Other indirect expenses are allocated using the basis of the estimated employee time and effort. Administrative and general expenses are those that cannot be readily identified as program expenses, but provide for the overall support and direction of the OCF.

## **Advertising**

Advertising costs are expensed as incurred.

## **Income Taxes**

OCF qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC). OCF files required informational returns with the U.S. federal jurisdiction and the state of Oregon. Tax authorities generally have the right to examine and audit the previous three years of tax returns filed.

## **Revenue Recognition**

Event income, including admission, registration, and passes, are recognized in the month the event has taken place. Event income received in advance is recorded as deferred revenue.

Event retail sales are recognized at the point in time which the sale is made.

## 2. Liquidity and Availability of Resources

OCF has a policy to manage its liquidity and reserves in order to meet its needs to fund operating expenditures. At December 31, 2022, the OCF's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year from the statements of financial position dates, are comprised of the following:

	<u>2022</u>
Cash	\$ 1,878,677
	<u>1,878,677</u>
Board designated net assets (excluding endowment fund)	(35,000)
Net assets with donor restriction	<u>(188,274)</u>
Financial assets available for general expenditure	<u>\$ 1,655,403</u>

## 3. Land, Buildings, Improvements, and Equipment

As of December 31, 2022 land, buildings, improvements, and equipment consisted of the following amounts:

	<u>2022</u>
Land and timber	\$ 2,117,183
Buildings	906,515
Site improvements	126,639
Event structures	160,270
Equipment	<u>493,109</u>
	3,803,715
Accumulated depreciation	<u>(1,196,166)</u>
Land, buildings, improvements, and equipment, net	<u>\$ 2,607,549</u>

Depreciation expense for the year ended December 31, 2022 was \$48,730.

## 4. Board-Designated Endowment Fund and Net Assets

The Board of Directors of Oregon Country Fair created a board designated endowment with \$425,000, which as of 2017, has been placed in Oregon Community Foundation's community endowment program. OCF retains a beneficial interest in the account, and has a contractual right to distributions of earnings as determined by the terms of the agreement. Oregon Community Foundation reports quarterly to OCF on the investment gains and losses on this account; as some of the investments is in securities, the value of the fund fluctuates. The distributions Oregon Community Foundation makes to OCF are used to fund the Endowment Giving Program.

#### 4. Board-Designated Endowment Fund and Net Assets, continued

As of December 31, 2022 endowment funds are invested as follows:

	<u>2022</u>
Investment in the Foundation, beginning of year	\$ 733,837
Net change in investment in the Foundation	<u>(166,493)</u>
Total Board-designated Endowment Fund	567,344
Other board designated	<u>80,265</u>
Total Board-designated net assets	<u>\$ 647,609</u>

#### 5. Beneficial Interest in the Assets of The Oregon Community Foundation

In 2003, OCF established an Endowment Fund with the Foundation. The Endowment Fund is reported as a beneficial interest in the assets of the Foundation and as part of the Board-designated Endowment Fund on the statements of financial position. The Foundation has variance power over these funds and shall distribute a percentage of the fair market value of the Endowment Fund to be used, as the Board shall deem necessary or desirable, to further OCF's objectives and purposes.

The following schedules summarize the activity in the Endowment Fund, stated at fair value, for the year ended December 31, 2022:

	<u>2022</u>
Balance, beginning of year	\$ 733,837
Increases:	
Interest and dividend income	5,113
Unrealized gains	(141,952)
Realized gains	335
Decreases:	
Distributions	(25,399)
Foundation and investment fees	<u>(4,590)</u>
Balance, end of year	<u>\$ 567,344</u>

## 6. Fair Value Measurement

Accounting standards generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a 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 under professional standards are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that OCF has the ability to access.

Level 2: Inputs to the valuation methodology include:

- a. Quoted prices for similar assets or liabilities in active markets;
- b. Quoted prices for identical or similar assets or liabilities in inactive markets;
- c. Inputs other than quoted prices that are observable for the asset or liability;
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to their fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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, 2022.

*Certificates of deposit:* Carried at cost plus interest earned which approximates fair value.

*Foundation funds:* Valued at fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while OCF believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.



## 6. Fair Value Measurement, continued

The following tables set forth by level, within the fair value hierarchy valued on a reoccurring basis, OCF's assets at fair value as of December 31, 2022:

	<u>Assets at Fair Value as of December 31, 2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ 371,877	\$ -	\$ -	\$ 371,877
Oregon Community Foundation	<u>-</u>	<u>-</u>	<u>567,344</u>	<u>567,344</u>
Total assets at fair value	<u>\$ 371,877</u>	<u>\$ -</u>	<u>\$ 567,344</u>	<u>\$ 939,222</u>

## 7. Paycheck Protection Program Loan

OCF applied for and was awarded two Paycheck Protection Program (PPP) loans under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) through the United States Small Business Administration (SBA) and issued by Key Bank. OCF was approved for loans in the amount of \$98,879 in April 2020 (PPP Loan one) and \$102,880 in February 2021 (PPP Loan two). The loans can be used to assist with payroll, rent, and other operating expenses in accordance with the provisions of the CARES Act and may be forgivable if the funds are used for the payment of covered expenses. OCF received full forgiveness of PPP Loan one, including accrued interest, in April 2021. The forgiveness was recorded as income in the statement of activities for the year ended December 31, 2021. OCF received full forgiveness of PPP Loan two, including accrued interest, effective February 2022.

## 8. Operating Leases

On September 28, 2017, OCF entered into an operating copier lease with a 5-year term. The lease was renewed during the year ended December 31, 2021 and now expires on September 28, 2027. The lease calls for monthly payments of \$379 and additional fees based on printing volume. Lease expense for the year ended December 31, 2022 was \$6,967.

Minimum payments over the term of the agreement are as follows:

<u>For the Year Ending December 31, 2022</u>	
2023	4,548
2024	4,548
2025	4,548
2026	4,548
Thereafter	<u>3,411</u>
Total	<u>\$ 21,603</u>

**9. Net Assets With Donor Restrictions**

At December 31, 2022, net assets with donor restrictions of \$188,274, consisted of the following restrictions:

	<u>2022</u>
Community Center	\$ 44,052
LPFM/KOCF Station	16,797
Shuttered Venue Operations Grant	127,025
Diversity, Equity, and Inclusion Consultancy	<u>400</u>
 Total net assets with donor restrictions	 <u>\$ 188,274</u>

**10. Contributed Services**

OCF receives donated services from a variety of unpaid volunteers assisting in the maintenance of the fairgrounds, construction of improvements to the grounds, and for the crews necessary to organize and sponsor the Oregon Country Fair Event. Generally accepted accounting principles require that contributed services be recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. OCF does not consider these services to meet the requirement to be recognized and has therefore chosen not to recognize these donated services.

**11. Shuttered Venue Operator Grants**

During the year ended December 31, 2021, OCF received Shuttered Venue Operator Grants(SVOG) totaling \$1,969,981. SVOG is administrated by the SBA and is provided to live venue operators and others to support ongoing operations during uncertain economic conditions causedby the COVID-19 pandemic. OCF had until March 2, 2023 to expend the funds.

**12. Awards**

Over the years, OCF has awarded contributions in support of various nonprofit projects through its Endowment Fund, Vision Fund, and other Board donations. During 2022, OCF donated \$51,345 to various nonprofit organizations and projects.

### **13. Retirement Plan**

OCF has a Simplified Employer Pension Plan. Total employer contributions of \$20,269.74 were made to the plan for 2022.

### **14. Commitments**

OCF entered into a 3-year agreement with TicketsWest in 2012, which automatically renewed upon expiration in 2015 for successive 1-year periods, unless notice is given by either party at least 90 days prior to the expiration of the then-current term. OCF agrees to pay TicketsWest 3 percent on all credit card sales, \$0.10 per ticket for every ticket printed by OCF, and a convenience fee ranging between \$0.75 and \$3.00 per ticket type.

### **15. 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 accountant's review report.