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Form 990



Department of the Treasury  
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 01-01-2013, 2013, and ending 12-31-2013

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

Wallowa Resources

Doing Business As

Number and street (or P O box if mail is not delivered to street address) Room/suite

401 NE 1st Street Suite A

City or town, state or province, country, and ZIP or foreign postal code

Enterprise, OR 97828

F Name and address of principal officer

Nils Christoffersen

82124 Black Marble Lane

Enterprise,OR 97828

H(a) Is this a group return for subordinates?

☐ Yes☒ No

H(b) Are all subordinates included?

☐ Yes☒ No

If "No," attach a list (see instructions)

H(c) Group exemption number

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) ( ) ☐ (insert no ) ☐ 4947(a)(1) or ☐ 527

J Website:

www.wallowaresources.org

K Form of organization

☒ Corporation☐ Trust☐ Association☐ Other

L Year of formation

1996

M State of legal domicile

OR

| Part I                      | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                           |                                                                   |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
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| Activities & Governance     | <div><div>1</div><div>Briefly describe the organization's mission or most significant activities<br/>The purpose of this organization is to promote watershed health, stabilize and strengthen the natural resource based economy, and broaden community understanding of the ties between environmental health and community health of Wallowa County, Oregon</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                           |                                                                   |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
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|                             | <div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                           |                                                                   |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
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| Revenue                     | <table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>3</td><td>11</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>4</td><td>6</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2013 (Part V, line 2a)</td><td>5</td><td>30</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>6</td><td>10</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>7a</td><td>7,647</td></tr><tr><td>b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>7b</td><td>-3,002</td></tr></table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 3                                                         | Number of voting members of the governing body (Part VI, line 1a) | 3          | 11           | 4 | Number of independent voting members of the governing body (Part VI, line 1b) | 4       | 6         | 5  | Total number of individuals employed in calendar year 2013 (Part V, line 2a) | 5      | 30      | 6  | Total number of volunteers (estimate if necessary)                       | 6     | 10     | 7a | Total unrelated business revenue from Part VIII, column (C), line 12             | 7a      | 7,647    | b | Net unrelated business taxable income from Form 990-T, line 34 | 7b        | -3,002    |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| 3                           | Number of voting members of the governing body (Part VI, line 1a)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 3                                                         | 11                                                                |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| 4                           | Number of independent voting members of the governing body (Part VI, line 1b)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 4                                                         | 6                                                                 |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| 5                           | Total number of individuals employed in calendar year 2013 (Part V, line 2a)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 5                                                         | 30                                                                |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| 6                           | Total number of volunteers (estimate if necessary)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 6                                                         | 10                                                                |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| 7a                          | Total unrelated business revenue from Part VIII, column (C), line 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 7a                                                        | 7,647                                                             |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| b                           | Net unrelated business taxable income from Form 990-T, line 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 7b                                                        | -3,002                                                            |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
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| Expenses                    | <table><tr><td>8</td><td>Contributions and grants (Part VIII, line 1h)</td><td>Prior Year</td><td>Current Year</td></tr><tr><td>9</td><td>Program service revenue (Part VIII, line 2g)</td><td>878,313</td><td>1,205,600</td></tr><tr><td>10</td><td>Investment income (Part VIII, column (A), lines 3, 4, and 7d )</td><td>45,963</td><td>164,243</td></tr><tr><td>11</td><td>Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</td><td>6,686</td><td>21,824</td></tr><tr><td>12</td><td>Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)</td><td>348,059</td><td>-203,346</td></tr><tr><td></td><td></td><td>1,279,021</td><td>1,188,321</td></tr><tr><td>13</td><td>Grants and similar amounts paid (Part IX, column (A), lines 1–3 )</td><td></td><td>0</td></tr><tr><td>14</td><td>Benefits paid to or for members (Part IX, column (A), line 4)</td><td></td><td>0</td></tr><tr><td>15</td><td>Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)</td><td>495,117</td><td>451,473</td></tr><tr><td>16a</td><td>Professional fundraising fees (Part IX, column (A), line 11e)</td><td></td><td>0</td></tr><tr><td>b</td><td>Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 2,917</td><td></td><td></td></tr><tr><td>17</td><td>Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)</td><td>703,424</td><td>577,581</td></tr><tr><td>18</td><td>Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)</td><td>1,198,541</td><td>1,029,054</td></tr><tr><td>19</td><td>Revenue less expenses Subtract line 18 from line 12</td><td>80,480</td><td>159,267</td></tr></table> | 8                                                         | Contributions and grants (Part VIII, line 1h)                     | Prior Year | Current Year | 9 | Program service revenue (Part VIII, line 2g)                                  | 878,313 | 1,205,600 | 10 | Investment income (Part VIII, column (A), lines 3, 4, and 7d )               | 45,963 | 164,243 | 11 | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 6,686 | 21,824 | 12 | Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 348,059 | -203,346 |   |                                                                | 1,279,021 | 1,188,321 | 13 | Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) |  | 0 | 14 | Benefits paid to or for members (Part IX, column (A), line 4) |  | 0 | 15 | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) | 495,117 | 451,473 | 16a | Professional fundraising fees (Part IX, column (A), line 11e) |  | 0 | b | Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 2,917 |  |  | 17 | Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) | 703,424 | 577,581 | 18 | Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25) | 1,198,541 | 1,029,054 | 19 | Revenue less expenses Subtract line 18 from line 12 | 80,480 | 159,267 |  |  |  |
| 8                           | Contributions and grants (Part VIII, line 1h)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Prior Year                                                | Current Year                                                      |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| 9                           | Program service revenue (Part VIII, line 2g)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 878,313                                                   | 1,205,600                                                         |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| 10                          | Investment income (Part VIII, column (A), lines 3, 4, and 7d )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 45,963                                                    | 164,243                                                           |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| 11                          | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 6,686                                                     | 21,824                                                            |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| 12                          | Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 348,059                                                   | -203,346                                                          |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 1,279,021                                                 | 1,188,321                                                         |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| 13                          | Grants and similar amounts paid (Part IX, column (A), lines 1–3 )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                           | 0                                                                 |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| 14                          | Benefits paid to or for members (Part IX, column (A), line 4)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                           | 0                                                                 |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| 15                          | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 495,117                                                   | 451,473                                                           |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| 16a                         | Professional fundraising fees (Part IX, column (A), line 11e)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                           | 0                                                                 |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| b                           | Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 2,917                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                           |                                                                   |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| 17                          | Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 703,424                                                   | 577,581                                                           |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| 18                          | Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1,198,541                                                 | 1,029,054                                                         |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| 19                          | Revenue less expenses Subtract line 18 from line 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 80,480                                                    | 159,267                                                           |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                           |                                                                   |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                           |                                                                   |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                           |                                                                   |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                           |                                                                   |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                           |                                                                   |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                           |                                                                   |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                           |                                                                   |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
| Net Assets or Fund Balances |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Beginning of Current Year                                 | End of Year                                                       |            |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
|                             | 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Total assets (Part X, line 16)                            | 2,603,357                                                         | 2,268,967  |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
|                             | 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Total liabilities (Part X, line 26)                       | 1,163,801                                                         | 670,144    |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |
|                             | 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Net assets or fund balances Subtract line 21 from line 20 | 1,439,556                                                         | 1,598,823  |              |   |                                                                               |         |           |    |                                                                              |        |         |    |                                                                          |       |        |    |                                                                                  |         |          |   |                                                                |           |           |    |                                                                   |  |   |    |                                                               |  |   |    |                                                                                   |         |         |     |                                                               |  |   |   |                                                                                          |  |  |    |                                                              |         |         |    |                                                                          |           |           |    |                                                     |        |         |  |  |  |

Part II

Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

\*\*\*\*\*

Signature of officer

2014-11-13

Date

Nils Christoffersen

Executive Dir

Type or print name and title

Print/Type preparer's name

Robert P Seymour

Preparer's signature

Date

Check ☐ if self-employed

PTIN P00624415

Firm's name

Guyer and Associates CPAs

Firm's EIN

Firm's address

2790 Main Street

Baker City, OR 97814

Phone no

(541) 523-4471

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2013)

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1

Briefly describe the organization's mission

The purpose of this organization is to promote watershed health, stabilize and strengthen the natural resource based economy, and broaden community understanding of the ties between environmental health and community health of Wallowa County, Oregon

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes

☑

No

If "Yes," describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes

☑

No

If "Yes," describe these changes on Schedule O

4

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code ) (Expenses \$ 445,325 including grants of \$ ) (Revenue \$ 136,745 )

FIELD ACTIVITIES - Wallowa Resources has the mission to protect the ecological and economic values of lands and rivers in and around Wallowa County from invasion and degradation by noxious weeds and its forests from devastation by disease and wildfire The organization also works to provide land owners and managers with the resources to maximize economic return and well being of the land

4b

(Code ) (Expenses \$ 159,668 including grants of \$ ) (Revenue \$ 8,646 )

Special Initiatives - Wallowa Resources is currently involved in brdging the urban-rural gap, promoting new businesses that provide job opportunities, restoring the environment and habitat of streams and rivers and working with businesses to preserve the forest areas in and around the immediate lands of Wallowa County, Oregon

4c

(Code ) (Expenses \$ 122,424 including grants of \$ ) (Revenue \$ 18,852 )

OUTREACH AND EDUCATION - Wallowa Resources is involved in promoting healthy lands and communities through knowledge, research, and exploration The organization works with people of all ages to connect hands-on with the rivers, mountains, and forests, in hopes of invoking a sense of stewardship for Wallowa County

4d

Other program services (Describe in Schedule O )

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e

Total program service expenses ▶

727,417

Form 990 (2013)

Part IV

Checklist of Required Schedules

|                                                                                                                                                                                                                                                                                                                                                                                   | Yes     | No |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A                                                                                                                                                              | 1 Yes   |    |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?                                                                                                                                                                                            | 2 Yes   |    |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I                                                                                                                                                                                            | 3       | No |
| 4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II                                                                                                                                                                             | 4       | No |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III                                                                                                                                                     | 5       | No |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I                                         | 6       | No |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II                                                                               | 7       | No |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III                                                                                                                                              | 8       | No |
| 9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV  | 9       | No |
| 10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V                                                                                         | 10      | No |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable                                                                                                                                                                                                                                 |         |    |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI                                                                                                                                                            | 11a Yes |    |
| b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII                                                                                         | 11b     | No |
| c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII                                                                                       | 11c Yes |    |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX                                                                                                         | 11d     | No |
| e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X                                                                                                                                                                      | 11e Yes |    |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X                                               | 11f     | No |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII                                                                                                                                           | 12a     | No |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional                                                            | 12b     | No |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E                                                                                                                                                                                                                                                                              | 13      | No |
| 14a Did the organization maintain an office, employees, or agents outside of the United States?                                                                                                                                                                                                                                                                                   | 14a     | No |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV                                                                       | 14b     | No |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV                                                                                                                                                                                 | 15      | No |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV                                                                                                                                                                           | 16      | No |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)                                                                             | 17      | No |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II                                                                                                            | 18 Yes  |    |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III                                                                                                                                      | 19 Yes  |    |
| 20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H                                                                                                                                                                                                                                                                                   | 20a     | No |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?                                                                                                                                                                                                                                                                    | 20b     |    |

Part IV

Checklist of Required Schedules (continued)

|     |                                                                                                                                                                                                                                                                                                                            |     |     |    |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|----|
| 21  | Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .                                                                                                      | 21  |     | No |
| 22  | Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .                                                                                                            | 22  |     | No |
| 23  | Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .                                                      | 23  |     | No |
| 24a | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> . . . . .                            | 24a |     | No |
| b   | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .                                                                                                                                                                                                                  | 24b |     | No |
| c   | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .                                                                                                                                                                       | 24c |     | No |
| d   | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .                                                                                                                                                                                                            | 24d |     | No |
| 25a | <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .                                                                                                      | 25a |     | No |
| b   | Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .                                       | 25b |     | No |
| 26  | Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i> . . . . .                                    | 26  | Yes |    |
| 27  | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> . . . . . | 27  |     | No |
| 28  | Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)                                                                                                                               |     |     |    |
| a   | A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                                                                                                                                                                   | 28a |     | No |
| b   | A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                                                                                                                                                | 28b |     | No |
| c   | An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                                                    | 28c |     | No |
| 29  | Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . .                                                                                                                                                                                                    | 29  |     | No |
| 30  | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .                                                                                                                                  | 30  |     | No |
| 31  | Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .                                                                                                                                                                                        | 31  |     | No |
| 32  | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .                                                                                                                                                                      | 32  |     | No |
| 33  | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .                                                                                                                      | 33  | Yes |    |
| 34  | Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .                                                                                                                                                                  | 34  | Yes |    |
| 35a | Did the organization have a controlled entity within the meaning of section 512(b)(13)?                                                                                                                                                                                                                                    | 35a | Yes |    |
| b   | If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .                                                                                         | 35b | Yes |    |
| 36  | <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .                                                                                                                           | 36  |     | No |
| 37  | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .                                                                             | 37  |     | No |
| 38  | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .                                                                                                                              | 38  | Yes |    |

Part V

Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

|                                                                                                                                                                                                                                                                         |                                                                                                                                                                                |     |    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
|                                                                                                                                                                                                                                                                         |                                                                                                                                                                                | Yes | No |
| 1a                                                                                                                                                                                                                                                                      | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.                                                                                                  | 28  |    |
| 1b                                                                                                                                                                                                                                                                      | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.                                                                                               | 0   |    |
| 1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?                                                                                                             |                                                                                                                                                                                | Yes |    |
| 2a                                                                                                                                                                                                                                                                      | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. | 30  |    |
| 2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?<br><b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).                                  |                                                                                                                                                                                | Yes |    |
| 3a Did the organization have unrelated business gross income of \$1,000 or more during the year?                                                                                                                                                                        |                                                                                                                                                                                | Yes |    |
| 3b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.                                                                                                                                                         |                                                                                                                                                                                |     |    |
| 4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?                           |                                                                                                                                                                                |     | No |
| 4b If "Yes," enter the name of the foreign country:<br>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.                                                                                                   |                                                                                                                                                                                |     |    |
| 5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?                                                                                                                                                                |                                                                                                                                                                                |     | No |
| 5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?                                                                                                                                                     |                                                                                                                                                                                |     | No |
| 5c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?                                                                                                                                                                                                   |                                                                                                                                                                                |     |    |
| 6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?                                                              |                                                                                                                                                                                |     | No |
| 6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?                                                                                                                        |                                                                                                                                                                                |     |    |
| 7 Organizations that may receive deductible contributions under section 170(c).                                                                                                                                                                                         |                                                                                                                                                                                |     |    |
| 7a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?                                                                                                                      |                                                                                                                                                                                | Yes |    |
| 7b If "Yes," did the organization notify the donor of the value of the goods or services provided?                                                                                                                                                                      |                                                                                                                                                                                | Yes |    |
| 7c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?                                                                                                                                 |                                                                                                                                                                                |     | No |
| 7d If "Yes," indicate the number of Forms 8282 filed during the year.                                                                                                                                                                                                   |                                                                                                                                                                                | 0   |    |
| 7e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?                                                                                                                                                      |                                                                                                                                                                                |     | No |
| 7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?                                                                                                                                                         |                                                                                                                                                                                |     | No |
| 7g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?                                                                                                                                     |                                                                                                                                                                                |     | No |
| 7h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?                                                                                                                                   |                                                                                                                                                                                |     | No |
| 8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? |                                                                                                                                                                                |     | No |
| 9 Sponsoring organizations maintaining donor advised funds.                                                                                                                                                                                                             |                                                                                                                                                                                |     |    |
| 9a Did the organization make any taxable distributions under section 4966?                                                                                                                                                                                              |                                                                                                                                                                                |     | No |
| 9b Did the organization make a distribution to a donor, donor advisor, or related person?                                                                                                                                                                               |                                                                                                                                                                                |     | No |
| 10 Section 501(c)(7) organizations. Enter                                                                                                                                                                                                                               |                                                                                                                                                                                |     |    |
| 10a Initiation fees and capital contributions included on Part VIII, line 12.                                                                                                                                                                                           |                                                                                                                                                                                |     |    |
| 10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.                                                                                                                                                                        |                                                                                                                                                                                |     |    |
| 11 Section 501(c)(12) organizations. Enter                                                                                                                                                                                                                              |                                                                                                                                                                                |     |    |
| 11a Gross income from members or shareholders.                                                                                                                                                                                                                          |                                                                                                                                                                                |     |    |
| 11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).                                                                                                                                        |                                                                                                                                                                                |     |    |
| 12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?                                                                                                                                                          |                                                                                                                                                                                |     | No |
| 12b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.                                                                                                                                                                              |                                                                                                                                                                                |     |    |
| 13 Section 501(c)(29) qualified nonprofit health insurance issuers.                                                                                                                                                                                                     |                                                                                                                                                                                |     |    |
| 13a Is the organization licensed to issue qualified health plans in more than one state?<br><b>Note.</b> See the instructions for additional information the organization must report on Schedule O.                                                                    |                                                                                                                                                                                |     | No |
| 13b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.                                                                                                          |                                                                                                                                                                                |     |    |
| 13c Enter the amount of reserves on hand.                                                                                                                                                                                                                               |                                                                                                                                                                                |     |    |
| 14a Did the organization receive any payments for indoor tanning services during the tax year?                                                                                                                                                                          |                                                                                                                                                                                |     | No |
| 14b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.                                                                                                                                                          |                                                                                                                                                                                |     |    |

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

|    |                                                                                                                                                                                                                               |     |     |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|
|    |                                                                                                                                                                                                                               | Yes | No  |
| 1a | Enter the number of voting members of the governing body at the end of the tax year . . . . .                                                                                                                                 |     |     |
|    | If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O              |     |     |
| b  | Enter the number of voting members included in line 1a, above, who are independent . . . . .                                                                                                                                  |     |     |
| 2  | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .                                               | 2   | Yes |
| 3  | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . . | 3   | No  |
| 4  | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .                                                                                                    | 4   | No  |
| 5  | Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .                                                                                                          | 5   | No  |
| 6  | Did the organization have members or stockholders? . . . . .                                                                                                                                                                  | 6   | No  |
| 7a | Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .                                                                  | 7a  | No  |
| b  | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .                                                           | 7b  | No  |
| 8  | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following                                                                                              |     |     |
| a  | The governing body? . . . . .                                                                                                                                                                                                 | 8a  | Yes |
| b  | Each committee with authority to act on behalf of the governing body? . . . . .                                                                                                                                               | 8b  | No  |
| 9  | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .        | 9   | No  |

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

|     |                                                                                                                                                                                                                                                                                                        |     |     |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|
|     |                                                                                                                                                                                                                                                                                                        | Yes | No  |
| 10a | Did the organization have local chapters, branches, or affiliates? . . . . .                                                                                                                                                                                                                           | 10a | No  |
| b   | If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . . .                                                                   | 10b |     |
| 11a | Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .                                                                                                                                                                  | 11a | Yes |
| b   | Describe in Schedule O the process, if any, used by the organization to review this Form 990 . . . . .                                                                                                                                                                                                 |     |     |
| 12a | Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .                                                                                                                                                                                                      | 12a | Yes |
| b   | Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .                                                                                                                                                          | 12b | No  |
| c   | Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .                                                                                                                                           | 12c | Yes |
| 13  | Did the organization have a written whistleblower policy? . . . . .                                                                                                                                                                                                                                    | 13  | No  |
| 14  | Did the organization have a written document retention and destruction policy? . . . . .                                                                                                                                                                                                               | 14  | No  |
| 15  | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?                                                                                   |     |     |
| a   | The organization's CEO, Executive Director, or top management official . . . . .                                                                                                                                                                                                                       | 15a | No  |
| b   | Other officers or key employees of the organization . . . . .                                                                                                                                                                                                                                          | 15b | No  |
|     | If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)                                                                                                                                                                                                                     |     |     |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .                                                                                                                                        | 16a | No  |
| b   | If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . . | 16b |     |

Section C. Disclosure

|    |                                                                                                                                                                                                                                                                                                                                                                                                                |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 17 | List the States with which a copy of this Form 990 is required to be filed▶                                                                                                                                                                                                                                                                                                                                    |
| 18 | Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.<br><input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O) |
| 19 | Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year                                                                                                                                                                                                               |
| 20 | State the name, physical address, and telephone number of the person who possesses the books and records of the organization<br>▶Joni Maasdam 401 NE First Suite A<br>Enterprise, OR 97828 (541) 426-8053                                                                                                                                                                                                      |

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

- 1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year
- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid

List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

| (A)<br>Name and Title                     | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W- 2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W- 2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|-------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------|---------|--------------|------------------------------|--------|-----------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
|                                           |                                                                                            | Individual trustee or director                                                                            | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |                                                                       |                                                                            |                                                                                               |
| (1) Kendrick Moholt<br>Director           | 2 00<br>0 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (2) Kelly Birkmaier<br>Director           | 2 00<br>0 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (3) Gail Hammack<br>Vice Chair            | 2 00<br>0 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (4) Larry Nall<br>Director                | 2 00<br>0 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (5) Jim Zacharias<br>Director             | 2 00<br>0 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (6) Brad Stephens<br>Director             | 2 00<br>0 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (7) Mike Hayward<br>Director              | 2 00<br>0 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (8) Doug McDaniel<br>Director             | 2 00<br>0 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (9) James Henson<br>Chairman              | 2 00<br>0 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (10) Peter Ferre<br>Director              | 2 00<br>0 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (11) Joe Dawson<br>Director               | 2 00<br>0 00                                                                               | X                                                                                                         |                       |         |              |                              |        | 0                                                                     | 0                                                                          | 0                                                                                             |
| (12) Nils Christoffersen<br>Executive Dir | 40 00<br>0 00                                                                              |                                                                                                           |                       | X       |              |                              |        | 55,661                                                                | 0                                                                          | 33,246                                                                                        |
| (13) Myron Kirkpatrick<br>Treasurer       | 40 00<br>0 00                                                                              |                                                                                                           |                       | X       |              |                              |        | 63,648                                                                | 0                                                                          | 9,670                                                                                         |
|                                           |                                                                                            |                                                                                                           |                       |         |              |                              |        |                                                                       |                                                                            |                                                                                               |
|                                           |                                                                                            |                                                                                                           |                       |         |              |                              |        |                                                                       |                                                                            |                                                                                               |
|                                           |                                                                                            |                                                                                                           |                       |         |              |                              |        |                                                                       |                                                                            |                                                                                               |
|                                           |                                                                                            |                                                                                                           |                       |         |              |                              |        |                                                                       |                                                                            |                                                                                               |

## Part VII

| (A)<br>Name and Title                                                    | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |         | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------|---------|--------------|------------------------------|---------|----------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
|                                                                          |                                                                                            | Individual trustee or director                                                                            | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former  |                                                                      |                                                                           |                                                                                               |
|                                                                          |                                                                                            |                                                                                                           |                       |         |              |                              |         |                                                                      |                                                                           |                                                                                               |
|                                                                          |                                                                                            |                                                                                                           |                       |         |              |                              |         |                                                                      |                                                                           |                                                                                               |
|                                                                          |                                                                                            |                                                                                                           |                       |         |              |                              |         |                                                                      |                                                                           |                                                                                               |
|                                                                          |                                                                                            |                                                                                                           |                       |         |              |                              |         |                                                                      |                                                                           |                                                                                               |
|                                                                          |                                                                                            |                                                                                                           |                       |         |              |                              |         |                                                                      |                                                                           |                                                                                               |
|                                                                          |                                                                                            |                                                                                                           |                       |         |              |                              |         |                                                                      |                                                                           |                                                                                               |
|                                                                          |                                                                                            |                                                                                                           |                       |         |              |                              |         |                                                                      |                                                                           |                                                                                               |
|                                                                          |                                                                                            |                                                                                                           |                       |         |              |                              |         |                                                                      |                                                                           |                                                                                               |
|                                                                          |                                                                                            |                                                                                                           |                       |         |              |                              |         |                                                                      |                                                                           |                                                                                               |
|                                                                          |                                                                                            |                                                                                                           |                       |         |              |                              |         |                                                                      |                                                                           |                                                                                               |
|                                                                          |                                                                                            |                                                                                                           |                       |         |              |                              |         |                                                                      |                                                                           |                                                                                               |
|                                                                          |                                                                                            |                                                                                                           |                       |         |              |                              |         |                                                                      |                                                                           |                                                                                               |
| <b>1b</b> Sub-Total . . . . .                                            |                                                                                            |                                                                                                           |                       |         |              |                              |         |                                                                      |                                                                           |                                                                                               |
| <b>c</b> Total from continuation sheets to Part VII, Section A . . . . . |                                                                                            |                                                                                                           |                       |         |              |                              |         |                                                                      |                                                                           |                                                                                               |
| <b>d</b> Total (add lines 1b and 1c) . . . . .                           |                                                                                            |                                                                                                           |                       |         |              |                              | 119,309 |                                                                      |                                                                           | 42,916                                                                                        |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization: 0

|          |                                                                                                                                                                                                                                               | Yes      | No |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----|
| <b>3</b> | Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .                                        | <b>3</b> | No |
| <b>4</b> | For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . . | <b>4</b> | No |
| <b>5</b> | Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .                       | <b>5</b> | No |

## **Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

| (A)<br>Name and business address | (B)<br>Description of services | (C)<br>Compensation |
|----------------------------------|--------------------------------|---------------------|
|                                  |                                |                     |
|                                  |                                |                     |
|                                  |                                |                     |
|                                  |                                |                     |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 0

Part VIII

Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

|                                                           |     |                                                                                                                                         | (A)<br>Total revenue | (B)<br>Related or<br>exempt<br>function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded from<br>tax under<br>sections<br>512-514 |
|-----------------------------------------------------------|-----|-----------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------|
| Contributions, Gifts, Grants<br>and Other Similar Amounts | 1a  | Federated campaigns . . . . . 1a                                                                                                        |                      |                                                    |                                         |                                                                     |
|                                                           | b   | Membership dues . . . . . 1b                                                                                                            |                      |                                                    |                                         |                                                                     |
|                                                           | c   | Fundraising events . . . . . 1c                                                                                                         |                      |                                                    |                                         |                                                                     |
|                                                           | d   | Related organizations . . . . . 1d                                                                                                      |                      |                                                    |                                         |                                                                     |
|                                                           | e   | Government grants (contributions) 1e                                                                                                    | 519,132              |                                                    |                                         |                                                                     |
|                                                           | f   | All other contributions, gifts, grants, and<br>similar amounts not included above 1f                                                    | 686,468              |                                                    |                                         |                                                                     |
|                                                           | g   | Noncash contributions included in lines<br>1a-1f \$                                                                                     |                      |                                                    |                                         |                                                                     |
|                                                           | h   | Total. Add lines 1a-1f . . . . .                                                                                                        | 1,205,600            |                                                    |                                         |                                                                     |
| Program Service Revenue                                   | 2a  | Educational Programs                                                                                                                    | 8,413                | 8,413                                              |                                         |                                                                     |
|                                                           | b   | Field service programs                                                                                                                  | 151,690              | 151,690                                            |                                         |                                                                     |
|                                                           | c   | Special initiative Progm                                                                                                                | 4,140                | 4,140                                              |                                         |                                                                     |
|                                                           | d   |                                                                                                                                         |                      |                                                    |                                         |                                                                     |
|                                                           | e   |                                                                                                                                         |                      |                                                    |                                         |                                                                     |
|                                                           | f   | All other program service revenue                                                                                                       |                      |                                                    |                                         |                                                                     |
|                                                           | g   | Total. Add lines 2a-2f . . . . .                                                                                                        | 164,243              |                                                    |                                         |                                                                     |
| Other Revenue                                             | 3   | Investment income (including dividends, interest,<br>and other similar amounts) . . . . .                                               | 9,324                |                                                    | 8,741                                   | 583                                                                 |
|                                                           | 4   | Income from investment of tax-exempt bond proceeds . . . . .                                                                            | 0                    |                                                    |                                         |                                                                     |
|                                                           | 5   | Royalties . . . . .                                                                                                                     | 0                    |                                                    |                                         |                                                                     |
|                                                           | 6a  | Gross rents                                                                                                                             |                      |                                                    |                                         |                                                                     |
|                                                           | b   | Less rental expenses                                                                                                                    |                      |                                                    |                                         |                                                                     |
|                                                           | c   | Rental income or (loss)                                                                                                                 |                      |                                                    |                                         |                                                                     |
|                                                           | d   | Net rental income or (loss) . . . . .                                                                                                   | -53,185              | -52,091                                            | -1,094                                  |                                                                     |
|                                                           | 7a  | Gross amount from sales of assets other than inventory                                                                                  |                      |                                                    |                                         |                                                                     |
|                                                           | b   | Less cost or other basis and sales expenses                                                                                             |                      |                                                    |                                         |                                                                     |
|                                                           | c   | Gain or (loss)                                                                                                                          |                      |                                                    |                                         |                                                                     |
|                                                           | d   | Net gain or (loss) . . . . .                                                                                                            | 12,500               | 12,500                                             |                                         |                                                                     |
|                                                           | 8a  | Gross income from fundraising events (not including<br>\$ _____ of contributions reported on line 1c)<br>See Part IV, line 18 . . . . . |                      |                                                    |                                         |                                                                     |
|                                                           | b   | Less direct expenses . . . . .                                                                                                          |                      |                                                    |                                         |                                                                     |
|                                                           | c   | Net income or (loss) from fundraising events . . . . .                                                                                  | 10,132               |                                                    |                                         | 10,132                                                              |
|                                                           | 9a  | Gross income from gaming activities<br>See Part IV, line 19 . . . . .                                                                   |                      |                                                    |                                         |                                                                     |
|                                                           | b   | Less direct expenses . . . . .                                                                                                          |                      |                                                    |                                         |                                                                     |
|                                                           | c   | Net income or (loss) from gaming activities . . . . .                                                                                   | 12,940               |                                                    |                                         | 12,940                                                              |
|                                                           | 10a | Gross sales of inventory, less returns and allowances . . . . .                                                                         |                      |                                                    |                                         |                                                                     |
|                                                           | b   | Less cost of goods sold . . . . .                                                                                                       |                      |                                                    |                                         |                                                                     |
|                                                           | c   | Net income or (loss) from sales of inventory . . . . .                                                                                  | 0                    |                                                    |                                         |                                                                     |
|                                                           |     | Miscellaneous Revenue                                                                                                                   |                      |                                                    |                                         |                                                                     |
|                                                           | 11a | Book Income of Subsidiary                                                                                                               | -173,233             | -173,233                                           |                                         |                                                                     |
|                                                           | b   |                                                                                                                                         |                      |                                                    |                                         |                                                                     |
|                                                           | c   |                                                                                                                                         |                      |                                                    |                                         |                                                                     |
|                                                           | d   | All other revenue . . . . .                                                                                                             |                      |                                                    |                                         |                                                                     |
|                                                           | e   | Total. Add lines 11a-11d . . . . .                                                                                                      | -173,233             |                                                    |                                         |                                                                     |
|                                                           | 12  | Total revenue. See Instructions . . . . .                                                                                               | 1,188,321            | -48,581                                            | 7,647                                   | 23,655                                                              |

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. |                                                                                                                                                                                                                                         | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------|----------------------------------------|-----------------------------|
| 1                                                                              | Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.                                                                                                                                | 0                     |                                 |                                        |                             |
| 2                                                                              | Grants and other assistance to individuals in the United States. See Part IV, line 22.                                                                                                                                                  | 0                     |                                 |                                        |                             |
| 3                                                                              | Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.                                                                                                     | 0                     |                                 |                                        |                             |
| 4                                                                              | Benefits paid to or for members.                                                                                                                                                                                                        | 0                     |                                 |                                        |                             |
| 5                                                                              | Compensation of current officers, directors, trustees, and key employees.                                                                                                                                                               | 162,225               | 83,713                          | 78,512                                 |                             |
| 6                                                                              | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).                                                                                          | 0                     |                                 |                                        |                             |
| 7                                                                              | Other salaries and wages.                                                                                                                                                                                                               | 250,788               | 173,796                         | 76,002                                 | 990                         |
| 8                                                                              | Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).                                                                                                                                     | 0                     |                                 |                                        |                             |
| 9                                                                              | Other employee benefits.                                                                                                                                                                                                                | 26,378                | 18,249                          | 8,020                                  | 109                         |
| 10                                                                             | Payroll taxes.                                                                                                                                                                                                                          | 12,082                | 8,404                           | 3,614                                  | 64                          |
| 11                                                                             | Fees for services (non-employees):                                                                                                                                                                                                      |                       |                                 |                                        |                             |
| a                                                                              | Management.                                                                                                                                                                                                                             | 0                     |                                 |                                        |                             |
| b                                                                              | Legal.                                                                                                                                                                                                                                  | 3,714                 |                                 | 3,714                                  |                             |
| c                                                                              | Accounting.                                                                                                                                                                                                                             | 7,290                 |                                 | 7,290                                  |                             |
| d                                                                              | Lobbying.                                                                                                                                                                                                                               | 0                     |                                 |                                        |                             |
| e                                                                              | Professional fundraising services. See Part IV, line 17.                                                                                                                                                                                | 0                     |                                 |                                        |                             |
| f                                                                              | Investment management fees.                                                                                                                                                                                                             | 0                     |                                 |                                        |                             |
| g                                                                              | Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).                                                                                                                             | 0                     |                                 |                                        |                             |
| 12                                                                             | Advertising and promotion.                                                                                                                                                                                                              | 600                   | 600                             |                                        |                             |
| 13                                                                             | Office expenses.                                                                                                                                                                                                                        | 0                     |                                 |                                        |                             |
| 14                                                                             | Information technology.                                                                                                                                                                                                                 | 0                     |                                 |                                        |                             |
| 15                                                                             | Royalties.                                                                                                                                                                                                                              | 0                     |                                 |                                        |                             |
| 16                                                                             | Occupancy.                                                                                                                                                                                                                              | 37,286                | 29,829                          | 7,457                                  |                             |
| 17                                                                             | Travel.                                                                                                                                                                                                                                 | 11,898                | 10,255                          | 1,643                                  |                             |
| 18                                                                             | Payments of travel or entertainment expenses for any federal, state, or local public officials.                                                                                                                                         | 0                     |                                 |                                        |                             |
| 19                                                                             | Conferences, conventions, and meetings.                                                                                                                                                                                                 | 0                     |                                 |                                        |                             |
| 20                                                                             | Interest.                                                                                                                                                                                                                               | 17,515                |                                 | 17,515                                 |                             |
| 21                                                                             | Payments to affiliates.                                                                                                                                                                                                                 | 0                     |                                 |                                        |                             |
| 22                                                                             | Depreciation, depletion, and amortization.                                                                                                                                                                                              | 42,047                | 30,381                          | 11,666                                 |                             |
| 23                                                                             | Insurance.                                                                                                                                                                                                                              | 27,073                |                                 | 27,073                                 |                             |
| 24                                                                             | Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):                                       |                       |                                 |                                        |                             |
| a                                                                              | Consultants and Contractors.                                                                                                                                                                                                            | 355,583               | 315,168                         | 39,990                                 | 425                         |
| b                                                                              | Project Supplies.                                                                                                                                                                                                                       | 38,421                | 36,181                          | 2,240                                  |                             |
| c                                                                              | Other Expense.                                                                                                                                                                                                                          | 28,489                | 18,623                          | 8,537                                  | 1,329                       |
| d                                                                              | repairs & maintenance.                                                                                                                                                                                                                  | 6,111                 | 2,218                           | 3,893                                  |                             |
| e                                                                              | All other expenses.                                                                                                                                                                                                                     | 1,554                 |                                 | 1,554                                  |                             |
| 25                                                                             | Total functional expenses. Add lines 1 through 24e.                                                                                                                                                                                     | 1,029,054             | 727,417                         | 298,720                                | 2,917                       |
| 26                                                                             | Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). |                       |                                 |                                        |                             |

Part X

Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

|                             |                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                              |     |           | (A)               |     | (B)         |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------|-------------------|-----|-------------|
|                             |                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                              |     |           | Beginning of year |     | End of year |
| Assets                      | 1                                                                                                                                                   | Cash—non-interest-bearing . . . . .                                                                                                                                                                                                                                                                                          |     |           | 65,184            | 1   | 16,642      |
|                             | 2                                                                                                                                                   | Savings and temporary cash investments . . . . .                                                                                                                                                                                                                                                                             |     |           |                   | 2   | 0           |
|                             | 3                                                                                                                                                   | Pledges and grants receivable, net . . . . .                                                                                                                                                                                                                                                                                 |     |           |                   | 3   | 0           |
|                             | 4                                                                                                                                                   | Accounts receivable, net . . . . .                                                                                                                                                                                                                                                                                           |     |           | 79,084            | 4   | 55,245      |
|                             | 5                                                                                                                                                   | Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .                                                                                                                                                 |     |           |                   | 5   | 0           |
|                             | 6                                                                                                                                                   | Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L |     |           |                   | 6   | 0           |
|                             | 7                                                                                                                                                   | Notes and loans receivable, net . . . . .                                                                                                                                                                                                                                                                                    |     |           | 199,815           | 7   | 121,714     |
|                             | 8                                                                                                                                                   | Inventories for sale or use . . . . .                                                                                                                                                                                                                                                                                        |     |           | 16,751            | 8   | 17,188      |
|                             | 9                                                                                                                                                   | Prepaid expenses and deferred charges . . . . .                                                                                                                                                                                                                                                                              |     |           | 24,615            | 9   | 24,732      |
|                             | 10a                                                                                                                                                 | Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D                                                                                                                                                                                                                                            | 10a | 1,513,466 | 1,095,706         | 10c | 1,055,082   |
|                             | b                                                                                                                                                   | Less accumulated depreciation . . . . .                                                                                                                                                                                                                                                                                      | 10b | 458,384   |                   |     |             |
|                             | 11                                                                                                                                                  | Investments—publicly traded securities . . . . .                                                                                                                                                                                                                                                                             |     |           | 1,019             | 11  | 1,174       |
|                             | 12                                                                                                                                                  | Investments—other securities See Part IV, line 11 . . . . .                                                                                                                                                                                                                                                                  |     |           |                   | 12  | 0           |
|                             | 13                                                                                                                                                  | Investments—program-related See Part IV, line 11 . . . . .                                                                                                                                                                                                                                                                   |     |           | 1,121,183         | 13  | 977,190     |
|                             | 14                                                                                                                                                  | Intangible assets . . . . .                                                                                                                                                                                                                                                                                                  |     |           |                   | 14  | 0           |
|                             | 15                                                                                                                                                  | Other assets See Part IV, line 11 . . . . .                                                                                                                                                                                                                                                                                  |     |           |                   | 15  | 0           |
|                             | 16                                                                                                                                                  | Total assets. Add lines 1 through 15 (must equal line 34) . . . . .                                                                                                                                                                                                                                                          |     |           | 2,603,357         | 16  | 2,268,967   |
| Liabilities                 | 17                                                                                                                                                  | Accounts payable and accrued expenses . . . . .                                                                                                                                                                                                                                                                              |     |           | 148,689           | 17  | 123,893     |
|                             | 18                                                                                                                                                  | Grants payable . . . . .                                                                                                                                                                                                                                                                                                     |     |           |                   | 18  |             |
|                             | 19                                                                                                                                                  | Deferred revenue . . . . .                                                                                                                                                                                                                                                                                                   |     |           | 193,982           | 19  | 102,694     |
|                             | 20                                                                                                                                                  | Tax-exempt bond liabilities . . . . .                                                                                                                                                                                                                                                                                        |     |           |                   | 20  |             |
|                             | 21                                                                                                                                                  | Escrow or custodial account liability Complete Part IV of Schedule D . . . . .                                                                                                                                                                                                                                               |     |           |                   | 21  |             |
|                             | 22                                                                                                                                                  | Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .                                                                                                                                |     |           | 441,511           | 22  | 243,596     |
|                             | 23                                                                                                                                                  | Secured mortgages and notes payable to unrelated third parties . . . . .                                                                                                                                                                                                                                                     |     |           | 245,000           | 23  | 149,645     |
|                             | 24                                                                                                                                                  | Unsecured notes and loans payable to unrelated third parties . . . . .                                                                                                                                                                                                                                                       |     |           | 134,616           | 24  |             |
|                             | 25                                                                                                                                                  | Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D . . . . .                                                                                                                                               |     |           | 3                 | 25  | 50,316      |
|                             | 26                                                                                                                                                  | Total liabilities. Add lines 17 through 25 . . . . .                                                                                                                                                                                                                                                                         |     |           | 1,163,801         | 26  | 670,144     |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. |                                                                                                                                                                                                                                                                                                                              |     |           |                   |     |             |
|                             | 27                                                                                                                                                  | Unrestricted net assets . . . . .                                                                                                                                                                                                                                                                                            |     |           | 1,368,274         | 27  | 1,331,982   |
|                             | 28                                                                                                                                                  | Temporarily restricted net assets . . . . .                                                                                                                                                                                                                                                                                  |     |           | 71,282            | 28  | 266,841     |
|                             | 29                                                                                                                                                  | Permanently restricted net assets . . . . .                                                                                                                                                                                                                                                                                  |     |           |                   | 29  |             |
|                             | Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.                          |                                                                                                                                                                                                                                                                                                                              |     |           |                   |     |             |
|                             | 30                                                                                                                                                  | Capital stock or trust principal, or current funds . . . . .                                                                                                                                                                                                                                                                 |     |           |                   | 30  |             |
|                             | 31                                                                                                                                                  | Paid-in or capital surplus, or land, building or equipment fund . . . . .                                                                                                                                                                                                                                                    |     |           |                   | 31  |             |
|                             | 32                                                                                                                                                  | Retained earnings, endowment, accumulated income, or other funds                                                                                                                                                                                                                                                             |     |           |                   | 32  |             |
|                             | 33                                                                                                                                                  | Total net assets or fund balances . . . . .                                                                                                                                                                                                                                                                                  |     |           | 1,439,556         | 33  | 1,598,823   |
|                             | 34                                                                                                                                                  | Total liabilities and net assets/fund balances . . . . .                                                                                                                                                                                                                                                                     |     |           | 2,603,357         | 34  | 2,268,967   |

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . .

|    |                                                                                                               |    |           |
|----|---------------------------------------------------------------------------------------------------------------|----|-----------|
| 1  | Total revenue (must equal Part VIII, column (A), line 12) . . . . .                                           | 1  | 1,188,321 |
| 2  | Total expenses (must equal Part IX, column (A), line 25) . . . . .                                            | 2  | 1,029,054 |
| 3  | Revenue less expenses Subtract line 2 from line 1 . . . . .                                                   | 3  | 159,267   |
| 4  | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .           | 4  | 1,439,556 |
| 5  | Net unrealized gains (losses) on investments . . . . .                                                        | 5  |           |
| 6  | Donated services and use of facilities . . . . .                                                              | 6  |           |
| 7  | Investment expenses . . . . .                                                                                 | 7  |           |
| 8  | Prior period adjustments . . . . .                                                                            | 8  |           |
| 9  | Other changes in net assets or fund balances (explain in Schedule O) . . . . .                                | 9  |           |
| 10 | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 1,598,823 |

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII . . . . .

|    |                                                                                                                                                                                                                                                                                                                                                                                                                          | Yes | No |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| 1  | Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____<br>If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O                                                                                                                                        |     |    |
| 2a | Were the organization's financial statements compiled or reviewed by an independent accountant?<br>If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both<br><input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis |     | No |
| 2b | Were the organization's financial statements audited by an independent accountant?<br>If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both<br><input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis                | Yes |    |
| 2c | If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?<br>If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O                                                                    |     | No |
| 3a | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?                                                                                                                                                                                                                                                                 |     | No |
| 3b | If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits                                                                                                                                                                                                     |     |    |

SCHEDULE A

(Form 990 or 990EZ)

Department of the  
Treasury  
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**  
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

|                                                      |                                                     |
|------------------------------------------------------|-----------------------------------------------------|
| <b>Name of the organization</b><br>Wallowa Resources | <b>Employer identification number</b><br>91-1794627 |
|------------------------------------------------------|-----------------------------------------------------|

Part I

Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box )

|    |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | <input type="checkbox"/>            | A church, convention of churches, or association of churches described in <b>section 170(b)(1)(A)(i).</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2  | <input type="checkbox"/>            | A school described in <b>section 170(b)(1)(A)(ii).</b> (Attach Schedule E )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 3  | <input type="checkbox"/>            | A hospital or a cooperative hospital service organization described in <b>section 170(b)(1)(A)(iii).</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 4  | <input type="checkbox"/>            | A medical research organization operated in conjunction with a hospital described in <b>section 170(b)(1)(A)(iii).</b> Enter the hospital's name, city, and state _____                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 5  | <input type="checkbox"/>            | An organization operated for the benefit of a college or university owned or operated by a governmental unit described in <b>section 170(b)(1)(A)(iv).</b> (Complete Part II )                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 6  | <input type="checkbox"/>            | A federal, state, or local government or governmental unit described in <b>section 170(b)(1)(A)(v).</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 7  | <input checked="" type="checkbox"/> | An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in <b>section 170(b)(1)(A)(vi).</b> (Complete Part II )                                                                                                                                                                                                                                                                                                                                                                                                             |
| 8  | <input type="checkbox"/>            | A community trust described in <b>section 170(b)(1)(A)(vi)</b> (Complete Part II )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 9  | <input type="checkbox"/>            | An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See <b>section 509(a)(2).</b> (Complete Part III )                                                                                                                               |
| 10 | <input type="checkbox"/>            | An organization organized and operated exclusively to test for public safety See <b>section 509(a)(4).</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 11 | <input type="checkbox"/>            | An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See <b>section 509(a)(3).</b> Check the box that describes the type of supporting organization and complete lines 11e through 11h<br><b>a</b> <input type="checkbox"/> Type I <b>b</b> <input type="checkbox"/> Type II <b>c</b> <input type="checkbox"/> Type III - Functionally integrated <b>d</b> <input type="checkbox"/> Type III - Non-functionally integrated |
| e  | <input type="checkbox"/>            | By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)                                                                                                                                                                                                                                                                                                                          |
| f  | <input type="checkbox"/>            | If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| g  | <input type="checkbox"/>            | Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?<br><b>(i)</b> A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?<br><b>(ii)</b> A family member of a person described in (i) above?<br><b>(iii)</b> A 35% controlled entity of a person described in (i) or (ii) above?                                                                                                                                             |
| h  | <input type="checkbox"/>            | Provide the following information about the supported organization(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

|          | Yes | No |
|----------|-----|----|
| 11g(i)   |     |    |
| 11g(ii)  |     |    |
| 11g(iii) |     |    |

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions)) | (iv) Is the organization in col (i) listed in your governing document? |    | (v) Did you notify the organization in col (i) of your support? |    | (vi) Is the organization in col (i) organized in the U S ? |    | (vii) Amount of monetary support |
|------------------------------------|----------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------|----|-----------------------------------------------------------------|----|------------------------------------------------------------|----|----------------------------------|
|                                    |          |                                                                                              | Yes                                                                    | No | Yes                                                             | No | Yes                                                        | No |                                  |
|                                    |          |                                                                                              |                                                                        |    |                                                                 |    |                                                            |    |                                  |
|                                    |          |                                                                                              |                                                                        |    |                                                                 |    |                                                            |    |                                  |
| Total                              |          |                                                                                              |                                                                        |    |                                                                 |    |                                                            |    |                                  |

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)  
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

| Section A. Public Support                                                                                                                                                                             |           |           |           |          |           |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|----------|-----------|-----------|
| Calendar year (or fiscal year beginning in) ▶                                                                                                                                                         | (a) 2009  | (b) 2010  | (c) 2011  | (d) 2012 | (e) 2013  | (f) Total |
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")                                                                                                   | 1,001,798 | 1,947,896 | 1,379,512 | 922,126  | 1,205,600 | 6,456,932 |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf                                                                                                     |           |           |           |          |           | 0         |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge                                                                                             |           |           |           |          |           | 0         |
| 4 Total. Add lines 1 through 3                                                                                                                                                                        | 1,001,798 | 1,947,896 | 1,379,512 | 922,126  | 1,205,600 | 6,456,932 |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) |           |           |           |          |           | 0         |
| 6 Public support. Subtract line 5 from line 4                                                                                                                                                         |           |           |           |          |           | 6,456,932 |

| Section B. Total Support                                                                                                                                                           |           |           |           |          |           |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|----------|-----------|-----------|
| Calendar year (or fiscal year beginning in) ▶                                                                                                                                      | (a) 2009  | (b) 2010  | (c) 2011  | (d) 2012 | (e) 2013  | (f) Total |
| 7 Amounts from line 4                                                                                                                                                              | 1,001,798 | 1,947,896 | 1,379,512 | 922,126  | 1,205,600 | 6,456,932 |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources                                                   | -3,542    | -363      | 304       | 5,982    | 9,324     | 11,705    |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on                                                                               |           |           |           |          |           | 0         |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)                                                                                 | -27,119   | 838,024   | 218,117   | 421,012  | -173,233  | 1,276,801 |
| 11 Total support (Add lines 7 through 10)                                                                                                                                          |           |           |           |          |           | 7,745,438 |
| 12 Gross receipts from related activities, etc. (see instructions)                                                                                                                 |           |           |           |          | 12        |           |
| 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here . . . . . |           |           |           |          |           | ▶         |

| Section C. Computation of Public Support Percentage                                                                                                                                                                                                                                                                                                                                          |    |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------|
| 14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))                                                                                                                                                                                                                                                                                                    | 14 | 83 360 % |
| 15 Public support percentage for 2012 Schedule A, Part II, line 14                                                                                                                                                                                                                                                                                                                           | 15 | 81 000 % |
| 16a 33 1/3% support test—2013. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization                                                                                                                                                                           | ▶  |          |
| b 33 1/3% support test—2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization                                                                                                                                                                        | ▶  |          |
| 17a 10%-facts-and-circumstances test—2013. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization    | ▶  |          |
| b 10%-facts-and-circumstances test—2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization | ▶  |          |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions                                                                                                                                                                                                                                                        | ▶  |          |

Part IIIPart III

Support Schedule for Organizations Described in Section 509(a)(2)  
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

| Section A. Public Support                                                                                                                                                  |          |          |          |          |          |           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) ▶                                                                                                                              | (a) 2009 | (b) 2010 | (c) 2011 | (d) 2012 | (e) 2013 | (f) Total |
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")                                                                        |          |          |          |          |          |           |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose |          |          |          |          |          |           |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513                                                                             |          |          |          |          |          |           |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf                                                                          |          |          |          |          |          |           |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge                                                                  |          |          |          |          |          |           |
| 6 Total. Add lines 1 through 5                                                                                                                                             |          |          |          |          |          |           |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons                                                                                                |          |          |          |          |          |           |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year           |          |          |          |          |          |           |
| c Add lines 7a and 7b                                                                                                                                                      |          |          |          |          |          |           |
| 8 Public support (Subtract line 7c from line 6.)                                                                                                                           |          |          |          |          |          |           |

| Section B. Total Support                                                                                                                                                   |          |          |          |          |          |           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) ▶                                                                                                                              | (a) 2009 | (b) 2010 | (c) 2011 | (d) 2012 | (e) 2013 | (f) Total |
| 9 Amounts from line 6                                                                                                                                                      |          |          |          |          |          |           |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources                                         |          |          |          |          |          |           |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975                                                                  |          |          |          |          |          |           |
| c Add lines 10a and 10b                                                                                                                                                    |          |          |          |          |          |           |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on                                             |          |          |          |          |          |           |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)                                                                         |          |          |          |          |          |           |
| 13 Total support. (Add lines 9, 10c, 11, and 12.)                                                                                                                          |          |          |          |          |          |           |
| 14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶ |          |          |          |          |          |           |

| Section C. Computation of Public Support Percentage                                       |    |  |
|-------------------------------------------------------------------------------------------|----|--|
| 15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f)) | 15 |  |
| 16 Public support percentage from 2012 Schedule A, Part III, line 15                      | 16 |  |

| Section D. Computation of Investment Income Percentage                                                                                                                                                                                                               |    |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--|
| 17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))                                                                                                                                                                       | 17 |  |
| 18 Investment income percentage from 2012 Schedule A, Part III, line 17                                                                                                                                                                                              | 18 |  |
| 19a 33 1/3% support tests—2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶        |    |  |
| b 33 1/3% support tests—2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶ |    |  |
| 20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶                                                                                                                                        |    |  |

Part IV

**Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

| Facts And Circumstances Test                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part II, Line 10--Part II, Section B, line 10 represents income or loss from Wallowa Resources Community Solutions, Inc , a wholly owned subsidiary of Wallowa Resources |

| Return Reference | Explanation |  |
|------------------|-------------|--|
|------------------|-------------|--|

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b**  
▶ **Attach to Form 990.** ▶ **See separate instructions.** ▶ **Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
Wallowa Resources

Employer identification number  
91-1794627

Part I

Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

|   | (a) Donor advised funds                                                                                                                                                                                                                                                                                                                 | (b) Funds and other accounts |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| 1 | Total number at end of year                                                                                                                                                                                                                                                                                                             |                              |
| 2 | Aggregate contributions to (during year)                                                                                                                                                                                                                                                                                                |                              |
| 3 | Aggregate grants from (during year)                                                                                                                                                                                                                                                                                                     |                              |
| 4 | Aggregate value at end of year                                                                                                                                                                                                                                                                                                          |                              |
| 5 | Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>                                                            |                              |
| 6 | Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div> |                              |

Part II

Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area  
☐ Protection of natural habitat ☐ Preservation of a certified historic structure  
☐ Preservation of open space

2

Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

|   | Held at the End of the Year                                                                                                              |
|---|------------------------------------------------------------------------------------------------------------------------------------------|
| a | Total number of conservation easements                                                                                                   |
| b | Total acreage restricted by conservation easements                                                                                       |
| c | Number of conservation easements on a certified historic structure included in (a)                                                       |
| d | Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register |

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4

Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a

Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 52283D

Schedule D (Form 990) 2013

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3

Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)
- a

☐ Public exhibition

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No
- b

If "Yes," explain the arrangement in Part XIII and complete the following table
- c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

|    |        |
|----|--------|
|    | Amount |
| 1c |        |
| 1d |        |
| 1e |        |
| 1f |        |
- 2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No
- b

If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII

☐

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

|                                                            | (a)Current year | (b)Prior year | b (c)Two years back | (d)Three years back | (e)Four years back |
|------------------------------------------------------------|-----------------|---------------|---------------------|---------------------|--------------------|
| 1a Beginning of year balance . . . . .                     |                 |               |                     |                     |                    |
| b Contributions . . . . .                                  |                 |               |                     |                     |                    |
| c Net investment earnings, gains, and losses               |                 |               |                     |                     |                    |
| d Grants or scholarships . . . . .                         |                 |               |                     |                     |                    |
| e Other expenditures for facilities and programs . . . . . |                 |               |                     |                     |                    |
| f Administrative expenses . . . . .                        |                 |               |                     |                     |                    |
| g End of year balance . . . . .                            |                 |               |                     |                     |                    |

- 2

Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations . . . . .

3a(i)

Yes

No

(ii) related organizations . . . . .

3a(ii)

Yes

No

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

Yes

No

4

Describe in Part XIII the intended uses of the organization's endowment funds

Part VI

Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property                                                                          | (a) Cost or other basis (investment) | (b)Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------|------------------------------|----------------|
| 1a Land . . . . .                                                                                |                                      | 100,000                        |                              | 100,000        |
| b Buildings . . . . .                                                                            |                                      | 891,984                        | 80,095                       | 811,889        |
| c Leasehold improvements . . . . .                                                               |                                      | 12,000                         | 3,067                        | 8,933          |
| d Equipment . . . . .                                                                            |                                      | 509,482                        | 375,222                      | 134,260        |
| e Other . . . . .                                                                                |                                      |                                |                              |                |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) |                                      |                                |                              | 1,055,082      |

Schedule D (Form 990) 2013



Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

|   |                                                                                          |    |  |
|---|------------------------------------------------------------------------------------------|----|--|
| 1 | Total revenue, gains, and other support per audited financial statements . . . . .       | 1  |  |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12                       |    |  |
| a | Net unrealized gains on investments . . . . .                                            | 2a |  |
| b | Donated services and use of facilities . . . . .                                         | 2b |  |
| c | Recoveries of prior year grants . . . . .                                                | 2c |  |
| d | Other (Describe in Part XIII ) . . . . .                                                 | 2d |  |
| e | Add lines 2a through 2d . . . . .                                                        | 2e |  |
| 3 | Subtract line 2e from line 1 . . . . .                                                   | 3  |  |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1                      |    |  |
| a | Investment expenses not included on Form 990, Part VIII, line 7b . . . . .               | 4a |  |
| b | Other (Describe in Part XIII ) . . . . .                                                 | 4b |  |
| c | Add lines 4a and 4b . . . . .                                                            | 4c |  |
| 5 | Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12 ) . . . . . | 5  |  |

Part XII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

|   |                                                                                           |    |  |
|---|-------------------------------------------------------------------------------------------|----|--|
| 1 | Total expenses and losses per audited financial statements . . . . .                      | 1  |  |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25                          |    |  |
| a | Donated services and use of facilities . . . . .                                          | 2a |  |
| b | Prior year adjustments . . . . .                                                          | 2b |  |
| c | Other losses . . . . .                                                                    | 2c |  |
| d | Other (Describe in Part XIII ) . . . . .                                                  | 2d |  |
| e | Add lines 2a through 2d . . . . .                                                         | 2e |  |
| 3 | Subtract line 2e from line 1 . . . . .                                                    | 3  |  |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1:                        |    |  |
| a | Investment expenses not included on Form 990, Part VIII, line 7b . . . . .                | 4a |  |
| b | Other (Describe in Part XIII ) . . . . .                                                  | 4b |  |
| c | Add lines 4a and 4b . . . . .                                                             | 4c |  |
| 5 | Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18 ) . . . . . | 5  |  |

Part XIII

Supplemental Information

Provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

| Return Reference | Explanation |
|------------------|-------------|
|                  |             |
|                  |             |
|                  |             |
|                  |             |
|                  |             |
|                  |             |
|                  |             |

[illegible]

SCHEDULE G  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information Regarding  
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

|                                               |                                                  |
|-----------------------------------------------|--------------------------------------------------|
| Name of the organization<br>Wallowa Resources | Employer identification number<br><br>91-1794627 |
|-----------------------------------------------|--------------------------------------------------|

**Part I Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.  
Form 990-EZ filers are not required to complete this part.

- 1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a

☒ Mail solicitations

b

☒ Internet and email solicitations

c

☐ Phone solicitations

d

☒ In-person solicitations

e

☒ Solicitation of non-government grants

f

☒ Solicitation of government grants

g

☒ Special fundraising events
- 2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes ☒ No
- b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

| (i) Name and address of individual or entity (fundraiser) | (ii) Activity | (iii) Did fundraiser have custody or control of contributions? |    | (iv) Gross receipts from activity | (v) Amount paid to (or retained by) fundraiser listed in col (i) | (vi) Amount paid to (or retained by) organization |
|-----------------------------------------------------------|---------------|----------------------------------------------------------------|----|-----------------------------------|------------------------------------------------------------------|---------------------------------------------------|
|                                                           |               | Yes                                                            | No |                                   |                                                                  |                                                   |
| 1                                                         |               |                                                                |    |                                   |                                                                  |                                                   |
| 2                                                         |               |                                                                |    |                                   |                                                                  |                                                   |
| 3                                                         |               |                                                                |    |                                   |                                                                  |                                                   |
| 4                                                         |               |                                                                |    |                                   |                                                                  |                                                   |
| 5                                                         |               |                                                                |    |                                   |                                                                  |                                                   |
| 6                                                         |               |                                                                |    |                                   |                                                                  |                                                   |
| 7                                                         |               |                                                                |    |                                   |                                                                  |                                                   |
| 8                                                         |               |                                                                |    |                                   |                                                                  |                                                   |
| 9                                                         |               |                                                                |    |                                   |                                                                  |                                                   |
| 10                                                        |               |                                                                |    |                                   |                                                                  |                                                   |
| Total . . . . . ▶                                         |               |                                                                |    |                                   |                                                                  |                                                   |

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing

OR

.....

.....

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

|                 |    | (a) Event #1                                                            | (b) Event #2     | (c) Other events   | (d) Total events                 |
|-----------------|----|-------------------------------------------------------------------------|------------------|--------------------|----------------------------------|
|                 |    | <u>Barn Dance</u><br>(event type)                                       | <br>(event type) | <br>(total number) | (add col (a) through<br>col (c)) |
| Revenue         | 1  | Gross receipts . . . .                                                  | 17,113           |                    | 17,113                           |
|                 | 2  | Less Contributions . .                                                  |                  |                    |                                  |
|                 | 3  | Gross income (line 1<br>minus line 2) . . . .                           | 17,113           |                    | 17,113                           |
| Direct Expenses | 4  | Cash prizes . . . .                                                     |                  |                    |                                  |
|                 | 5  | Noncash prizes . .                                                      |                  |                    |                                  |
|                 | 6  | Rent/facility costs . .                                                 |                  |                    |                                  |
|                 | 7  | Food and beverages .                                                    |                  |                    |                                  |
|                 | 8  | Entertainment . . . .                                                   |                  |                    |                                  |
|                 | 9  | Other direct expenses .                                                 | 6,981            |                    | 6,981                            |
|                 | 10 | Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶  |                  |                    |                                  |
|                 | 11 | Net income summary Subtract line 10 from line 3, column (d) . . . . . ▶ |                  |                    |                                  |
|                 |    |                                                                         |                  |                    | 10,132                           |

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

|                 |   | (a) Bingo                                                                     | (b) Pull tabs/Instant<br>bingo/progressive bingo                               | (c) Other gaming                                                               | (d) Total gaming (add<br>col (a) through col<br>(c))                            |
|-----------------|---|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
|                 |   |                                                                               |                                                                                |                                                                                |                                                                                 |
| Revenue         | 1 | Gross revenue . . . . .                                                       |                                                                                | 15,550                                                                         | 15,550                                                                          |
|                 | 2 | Cash prizes . . . . .                                                         |                                                                                |                                                                                |                                                                                 |
| Direct Expenses | 3 | Non-cash prizes . . . .                                                       |                                                                                | 1,250                                                                          | 1,250                                                                           |
|                 | 4 | Rent/facility costs . . . .                                                   |                                                                                |                                                                                |                                                                                 |
|                 | 5 | Other direct expenses . .                                                     |                                                                                | 1,360                                                                          | 1,360                                                                           |
|                 | 6 | Volunteer labor . . . .                                                       | <input type="checkbox"/> Yes _____ %<br><input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes _____ %<br><input checked="" type="checkbox"/> No | <input checked="" type="checkbox"/> Yes 99.000 %<br><input type="checkbox"/> No |
|                 | 7 | Direct expense summary Add lines 2 through 5 in column (d) . . . . . ▶        |                                                                                |                                                                                |                                                                                 |
|                 | 8 | Net gaming income summary Subtract line 7 from line 1, column (d) . . . . . ▶ |                                                                                |                                                                                |                                                                                 |

9 Enter the state(s) in which the organization operates gaming activities \_\_\_\_\_

a Is the organization licensed to operate gaming activities in each of these states? . . . . . ☐ Yes ☒ No

b If "No," explain \_\_\_\_\_  
No license is required for a raffle the size of the one conducted The organization is registered with the state of Oregon but a separate gaming license is not required for the activities conducted \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? . . . . . ☐ Yes ☒ No

b If "Yes," explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Does the organization operate gaming activities with nonmembers? ☐ Yes ☒ No

**12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☒ No

|                                                                  |                                                                                                                                  |            |   |                              |                      |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|------------|---|------------------------------|----------------------|
| <b>13</b> Indicate the percentage of gaming activity operated in |                                                                                                                                  |            |   |                              |                      |
| <b>a</b> The organization's facility                             | <table><tr><td><b>13a</b></td><td>%</td></tr><tr><td><b>b</b> An outside facility</td><td><b>13b</b> 100 000 %</td></tr></table> | <b>13a</b> | % | <b>b</b> An outside facility | <b>13b</b> 100 000 % |
| <b>13a</b>                                                       | %                                                                                                                                |            |   |                              |                      |
| <b>b</b> An outside facility                                     | <b>13b</b> 100 000 %                                                                                                             |            |   |                              |                      |

**14** Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ Joni Maasdam

Address ▶ 401 NE 1st Street Suite A  
Enterprise, OR 97828

**15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☒ No

**b** If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ and the amount of gaming revenue retained by the third party ▶ \$

**c** If "Yes," enter name and address of the third party

Name ▶

Address ▶

**16** Gaming manager information

Name ▶

Gaming manager compensation ▶ \$

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

**17** Mandatory distributions

**a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☒ No

**b** Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$

**Part IV** **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

| Return Reference | Explanation |
|------------------|-------------|
|------------------|-------------|

Schedule L  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered  
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,  
or Form 990-EZ, Part V, line 38a or 40b.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.  
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at  
[www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047  

2013

Open to Public Inspection

Name of the organization  
Wallowa Resources

Employer identification number  
91-1794627

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

| 1 | (a) Name of disqualified person | (b) Relationship between disqualified person and organization | (c) Description of transaction | (d) Corrected? |    |
|---|---------------------------------|---------------------------------------------------------------|--------------------------------|----------------|----|
|   |                                 |                                                               |                                | Yes            | No |
|   |                                 |                                                               |                                |                |    |
|   |                                 |                                                               |                                |                |    |
|   |                                 |                                                               |                                |                |    |
|   |                                 |                                                               |                                |                |    |
|   |                                 |                                                               |                                |                |    |
|   |                                 |                                                               |                                |                |    |
|   |                                 |                                                               |                                |                |    |

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ \$

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

| (a) Name of interested person | (b) Relationship with organization | (c) Purpose of loan | (d) Loan to or from the organization? |      | (e) Original principal amount | (f) Balance due | (g) In default? |    | (h) Approved by board or committee? | (i) Written agreement? |    |
|-------------------------------|------------------------------------|---------------------|---------------------------------------|------|-------------------------------|-----------------|-----------------|----|-------------------------------------|------------------------|----|
|                               |                                    |                     | To                                    | From |                               |                 | Yes             | No |                                     | Yes                    | No |
| See Additional Data Table     |                                    |                     |                                       |      |                               |                 |                 |    |                                     |                        |    |
|                               |                                    |                     |                                       |      |                               |                 |                 |    |                                     |                        |    |
|                               |                                    |                     |                                       |      |                               |                 |                 |    |                                     |                        |    |
|                               |                                    |                     |                                       |      |                               |                 |                 |    |                                     |                        |    |
|                               |                                    |                     |                                       |      |                               |                 |                 |    |                                     |                        |    |
|                               |                                    |                     |                                       |      |                               |                 |                 |    |                                     |                        |    |
|                               |                                    |                     |                                       |      |                               |                 |                 |    |                                     |                        |    |
| Total ▶ \$                    |                                    |                     |                                       |      | 264,825                       |                 |                 |    |                                     |                        |    |

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of assistance | (d) Type of assistance | (e) Purpose of assistance |
|-------------------------------|-----------------------------------------------------------------|--------------------------|------------------------|---------------------------|
|                               |                                                                 |                          |                        |                           |
|                               |                                                                 |                          |                        |                           |
|                               |                                                                 |                          |                        |                           |
|                               |                                                                 |                          |                        |                           |
|                               |                                                                 |                          |                        |                           |
|                               |                                                                 |                          |                        |                           |
|                               |                                                                 |                          |                        |                           |
|                               |                                                                 |                          |                        |                           |

**Part IV Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of transaction | (d) Description of transaction | (e) Sharing of organization's revenues? |    |
|-------------------------------|-----------------------------------------------------------------|---------------------------|--------------------------------|-----------------------------------------|----|
|                               |                                                                 |                           |                                | Yes                                     | No |
|                               |                                                                 |                           |                                |                                         |    |
|                               |                                                                 |                           |                                |                                         |    |
|                               |                                                                 |                           |                                |                                         |    |
|                               |                                                                 |                           |                                |                                         |    |
|                               |                                                                 |                           |                                |                                         |    |
|                               |                                                                 |                           |                                |                                         |    |
|                               |                                                                 |                           |                                |                                         |    |

**Part V Supplemental Information**

Provide additional information for responses to questions on Schedule L (see instructions)

| Return Reference | Explanation |
|------------------|-------------|
|------------------|-------------|

Additional Data

Software ID: 13000170  
Software Version: 2013v3.1  
EIN: 91-1794627  
Name: Wallowa Resources

Form 990, Schedule L, Part II - Loans to and from Interested Persons

| (a) Name of<br>interested<br>person | (b) Relationship<br>with organization | (c) Purpose of<br>loan | (d) Loan to<br>or from the<br>organization? |      | (e) Original<br>principal<br>amount | (f) Balance<br>due | (g) In<br>default? |    | (h)<br>Approved<br>by board or<br>committee? |    | (i) Written<br>agreement? |    |
|-------------------------------------|---------------------------------------|------------------------|---------------------------------------------|------|-------------------------------------|--------------------|--------------------|----|----------------------------------------------|----|---------------------------|----|
|                                     |                                       |                        | To                                          | From |                                     |                    | Yes                | No | Yes                                          | No | Yes                       | No |
| (1) G Douglas<br>McDaniel Trust     | Director                              | Program                | X                                           |      | 400,000                             | 200,000            |                    | No | Yes                                          |    | Yes                       |    |
| (2) Janet C Noel<br>Trust           | Director                              | operatio               | X                                           |      | 18,000                              |                    |                    | No |                                              | No | Yes                       |    |
| (3) G Douglas<br>McDaniel           | Director                              | operatio               | X                                           |      | 20,000                              |                    |                    | No |                                              | No | Yes                       |    |
| (4) Peter Ferre                     | Director                              | operatio               | X                                           |      | 5,000                               |                    |                    | No |                                              | No | Yes                       |    |
| (5) James Henson                    | director                              | operatio               | X                                           |      | 11,000                              | 3,844              |                    | No | Yes                                          |    | Yes                       |    |
| (6) Christoffersen<br>Family Liv    | family m                              | operatio               | X                                           |      | 40,000                              | 35,981             |                    | No | Yes                                          |    | Yes                       |    |
| (7) Erik<br>Christoffersen          | family m                              | operatio               | X                                           |      | 25,000                              | 25,000             |                    | No | Yes                                          |    | Yes                       |    |

**SCHEDULE O**  
(Form 990 or 990-EZ)Department of the Treasury  
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ****Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.****▶ Attach to Form 990 or 990-EZ.****▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at  
[www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No 1545-0047

**2013****Open to Public  
Inspection**Name of the organization  
Wallowa Resources**Employer identification number**

91-1794627

**990 Schedule O, Supplemental Information**

| Return Reference                                                                                    | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Form 990, Part VI, Line 2 Description of Business or Family Relationship of Officers, Directors, Et | Doug McDaniel and Gail Hammack are husband and wife                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Form 990, Part VI, Line 11b Form 990 Review Process                                                 | A draft copy of the 990 is reviewed by the CEO and a retired CFO (the one that was full time CFO during the year covered by the return) The draft 990 is also emailed to each of the board members and comments solicited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Form 990, Part VI, Line 12c Explanation of Monitoring and Enforcement of Conflicts                  | all Board members are local residents and in this small community, the business activities of each member are general knowledge In addition, with such a small organization as Wallowa Resources, management knows who the Company is dealing with and is very sensitive to outward appearances If a business consideration or transaction involves a Board member, that member is asked to absent themselves from Board discussions of and votes regarding it The remaining members are then asked to pass a resolution in form recommended by legal counsel, recognizing the conflict, stating that it has been considered, concluding that the transaction is in the best interests of the Company and authorizing it |
| Form 990, Part VI, Line 19 Other Organization Documents Publicly Available                          | The organization's governing documents, policies and financial statements are made available to the public upon request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
Wallowa Resources

Employer identification number  
91-1794627

| Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33. |                         |                                                  |                     |                           |                                  |
|--------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------|---------------------|---------------------------|----------------------------------|
| (a)<br>Name, address, and EIN (if applicable) of disregarded entity                                                      | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>Direct controlling entity |
| (1) Wallowa Resources Stewardship CenterLLC<br>401 NE 1st Street Ste A<br>Enterprise, OR 97828<br>27-1887223             | Rental Building         | OR                                               | 161,279             | 1,137,858                 | Wallowa Resources                |
|                                                                                                                          |                         |                                                  |                     |                           |                                  |
|                                                                                                                          |                         |                                                  |                     |                           |                                  |
|                                                                                                                          |                         |                                                  |                     |                           |                                  |
|                                                                                                                          |                         |                                                  |                     |                           |                                  |
|                                                                                                                          |                         |                                                  |                     |                           |                                  |

| Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year. |                         |                                                  |                            |                                                     |                                  |                                              |    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------|----------------------------|-----------------------------------------------------|----------------------------------|----------------------------------------------|----|
| (a)<br>Name, address, and EIN of related organization                                                                                                                                                                 | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity | (g)<br>Section 512(b)(13) controlled entity? |    |
|                                                                                                                                                                                                                       |                         |                                                  |                            |                                                     |                                  | Yes                                          | No |
|                                                                                                                                                                                                                       |                         |                                                  |                            |                                                     |                                  |                                              |    |
|                                                                                                                                                                                                                       |                         |                                                  |                            |                                                     |                                  |                                              |    |
|                                                                                                                                                                                                                       |                         |                                                  |                            |                                                     |                                  |                                              |    |
|                                                                                                                                                                                                                       |                         |                                                  |                            |                                                     |                                  |                                              |    |
|                                                                                                                                                                                                                       |                         |                                                  |                            |                                                     |                                  |                                              |    |
|                                                                                                                                                                                                                       |                         |                                                  |                            |                                                     |                                  |                                              |    |
|                                                                                                                                                                                                                       |                         |                                                  |                            |                                                     |                                  |                                              |    |

Part III

Identification of Related Organizations Taxable as a Partnership

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

| (a)<br>Name, address, and EIN of<br>related organization | (b)<br>Primary activity | (c)<br>Legal<br>domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct<br>controlling<br>entity | (e)<br>Predominant<br>income(related,<br>unrelated,<br>excluded from<br>tax under<br>sections 512-<br>514) | (f)<br>Share of<br>total income | (g)<br>Share of<br>end-of-year<br>assets | (h)<br>Dispropportionate<br>allocations? |    | (i)<br>Code V-UBI<br>amount in box<br>20 of<br>Schedule K-1<br>(Form 1065) | (j)<br>General or<br>managing<br>partner? |    | (k)<br>Percentage<br>ownership |
|----------------------------------------------------------|-------------------------|--------------------------------------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------|------------------------------------------|----|----------------------------------------------------------------------------|-------------------------------------------|----|--------------------------------|
|                                                          |                         |                                                              |                                        |                                                                                                            |                                 |                                          | Yes                                      | No |                                                                            | Yes                                       | No |                                |
|                                                          |                         |                                                              |                                        |                                                                                                            |                                 |                                          |                                          |    |                                                                            |                                           |    |                                |
|                                                          |                         |                                                              |                                        |                                                                                                            |                                 |                                          |                                          |    |                                                                            |                                           |    |                                |
|                                                          |                         |                                                              |                                        |                                                                                                            |                                 |                                          |                                          |    |                                                                            |                                           |    |                                |
|                                                          |                         |                                                              |                                        |                                                                                                            |                                 |                                          |                                          |    |                                                                            |                                           |    |                                |
|                                                          |                         |                                                              |                                        |                                                                                                            |                                 |                                          |                                          |    |                                                                            |                                           |    |                                |
|                                                          |                         |                                                              |                                        |                                                                                                            |                                 |                                          |                                          |    |                                                                            |                                           |    |                                |
|                                                          |                         |                                                              |                                        |                                                                                                            |                                 |                                          |                                          |    |                                                                            |                                           |    |                                |

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

| (a)<br>Name, address, and EIN of<br>related organization                                                       | (b)<br>Primary activity | (c)<br>Legal<br>domicile<br>(state or foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Type of entity<br>(C corp, S corp,<br>or trust) | (f)<br>Share of total<br>income | (g)<br>Share of end-of-<br>year<br>assets | (h)<br>Percentage<br>ownership | (i)<br>Section 512<br>(b)(13)<br>controlled<br>entity? |    |
|----------------------------------------------------------------------------------------------------------------|-------------------------|-----------------------------------------------------------|-------------------------------------|--------------------------------------------------------|---------------------------------|-------------------------------------------|--------------------------------|--------------------------------------------------------|----|
|                                                                                                                |                         |                                                           |                                     |                                                        |                                 |                                           |                                | Yes                                                    | No |
| (1) Wallowa Resources<br>Community Solutions I<br><br>401 NE 1st Suite A<br>Enterprise, OR 97828<br>93-1319638 | Project Management      | OR                                                        | Wallowa<br>Resources                | C                                                      | -173,233                        | 1,305,629                                 | 100 000 %                      | Yes                                                    |    |
|                                                                                                                |                         |                                                           |                                     |                                                        |                                 |                                           |                                |                                                        |    |
|                                                                                                                |                         |                                                           |                                     |                                                        |                                 |                                           |                                |                                                        |    |
|                                                                                                                |                         |                                                           |                                     |                                                        |                                 |                                           |                                |                                                        |    |
|                                                                                                                |                         |                                                           |                                     |                                                        |                                 |                                           |                                |                                                        |    |
|                                                                                                                |                         |                                                           |                                     |                                                        |                                 |                                           |                                |                                                        |    |
|                                                                                                                |                         |                                                           |                                     |                                                        |                                 |                                           |                                |                                                        |    |

Part V

Transactions With Related Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)

- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)

- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses

- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

|    | Yes | No |
|----|-----|----|
|    |     |    |
| 1a | Yes |    |
| 1b | Yes |    |
| 1c |     | No |
| 1d | Yes |    |
| 1e |     | No |
| 1f |     | No |
| 1g |     | No |
| 1h |     | No |
| 1i |     | No |
| 1j | Yes |    |
| 1k |     | No |
| 1l |     | No |
| 1m |     | No |
| 1n |     | No |
| 1o |     | No |
| 1p |     | No |
| 1q |     | No |
| 1r | Yes |    |
| 1s |     | No |

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

| (a)<br>Name of related organization | (b)<br>Transaction<br>type (a-s) | (c)<br>Amount involved | (d)<br>Method of determining amount involved |
|-------------------------------------|----------------------------------|------------------------|----------------------------------------------|
|                                     |                                  |                        |                                              |
|                                     |                                  |                        |                                              |
|                                     |                                  |                        |                                              |
|                                     |                                  |                        |                                              |
|                                     |                                  |                        |                                              |
|                                     |                                  |                        |                                              |

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII

Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

| Return Reference | Explanation |
|------------------|-------------|
|------------------|-------------|

**WALLOWA RESOURCES**  
**AUDITED FINANCIAL STATEMENTS**

For the Fiscal Years Ended  
December 31, 2013 and 2012

## **WALLOWA RESOURCES**

December 31, 2013

### **BOARD OF DIRECTORS**

| <u>Name</u>     | <u>Term Expiration</u> |
|-----------------|------------------------|
| Kelly Birkmaier | December 31, 2015      |
| Gail Hammack    | December 31, 2015      |
| Larry Nall      | December 31, 2013      |
| Jim Zacharias   | December 31, 2013      |
| Brad Stephens   | December 31, 2013      |
| Mike Hayward    | December 31, 2014      |
| Doug McDaniel   | December 31, 2014      |
| James Henson    | December 31, 2014      |
| Peter Ferre     | December 31, 2014      |
| Joe Dawson      | December 31, 2015      |
| Kendrick Moholt | December 31, 2016      |

# **WALLOWA RESOURCES**

December 31, 2013

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Randell C. Guver, Jr.  
Scott A. Martin  
Megan R. Adams

Kent J. Bailey  
Robert P. Seymour  
Jacob J. Collier

David F. Lindley

Linda L. Cvi  
Michael J. Rudi

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Wallowa Resources

We have audited the accompanying consolidated financial statements of Wallowa Resources (a nonprofit organization) and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2013 and 2012, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

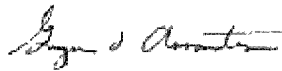
Wallowa Resources' investment in Integrated Biomass Resources, LLC, an investment accounted for on the equity method, is carried at a deficit of (\$110,259) on the balance sheet at December 31, 2013 and Wallowa Resources' share of Integrated Biomass Resources, LLC's net loss of (\$95,697) is included in Wallowa Resources' changes in net assets for the year then ended. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of Wallowa Resources' investment in Integrated Biomass Resources, LLC as of December 31, 2013 and Wallowa Resources' share of Integrated Biomass Resources, LLC's net income for the year then ended because we were unable to obtain audited financial statements or perform adequate audit procedures. Consequently, we were unable to determine whether any adjustments to those amounts were necessary.

### Qualified Opinion

In our opinion, except for the possible effects on the 2013 financial statements of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Wallowa Resources as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating schedules of financial position and changes in net assets on pages 27-33 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects on the supplementary information of the inability to obtain sufficient appropriate audit evidence on the equity method investment described in the Basis for Qualified Opinion paragraph above, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Guyer & Associates

La Grande, Oregon

September 11, 2014

## BASIC FINANCIAL STATEMENTS

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# WALLOWA RESOURCES

## Comparative Consolidated Statement of Financial Position December 31, 2013 and 2012

| ASSETS                                                           | December 31, 2013 | December 31, 2012 |
|------------------------------------------------------------------|-------------------|-------------------|
| Current Assets                                                   |                   |                   |
| Cash on hand and in banks                                        | \$ 18,312         | \$ 70,116         |
| Accounts receivable                                              | 66,948            | 184,059           |
| Investments                                                      | 1,174             | 1,019             |
| Accrued interest                                                 | 7,291             | 2,216             |
| Prepaid expenses                                                 | 25,590            | 26,030            |
| Notes receivable - current portion                               | 9,185             | -                 |
| Inventories                                                      | 17,188            | 16,751            |
| Total Current Assets                                             | 145,688           | 300,191           |
| Fixed Assets                                                     |                   |                   |
| Buildings and improvements                                       | 903,984           | 901,484           |
| Equipment                                                        | 1,856,788         | 1,828,815         |
| Land                                                             | 100,000           | 100,000           |
| Accumulated depreciation                                         | (542,073)         | (410,516)         |
| Net Fixed Assets                                                 | 2,318,699         | 2,419,783         |
| Other Assets                                                     |                   |                   |
| Notes receivable, net                                            | 85,068            | 52,000            |
| Equity method investment in<br>Integrated Biomass Resources, LLC | -                 | -                 |
| Total Other Assets                                               | 85,068            | 52,000            |
| Total Assets                                                     | \$ 2,549,455      | \$ 2,771,974      |
| LIABILITIES AND NET ASSETS                                       |                   |                   |
| Current Liabilities                                              |                   |                   |
| Accounts payable                                                 | \$ 126,402        | \$ 152,612        |
| Bank overdraft                                                   | 46,091            | -                 |
| Payroll liabilities                                              | 12,287            | 8,887             |
| Short-term notes                                                 | 120,016           | 478,793           |
| Accrued vacation                                                 | 19,907            | 24,447            |
| Accrued interest                                                 | 1,055             | 1,746             |
| Long-term debt - current maturities                              | 35,012            | 26,541            |
| Tenant deposits                                                  | 4,225             | 4,225             |
| Deferred revenue                                                 | 137,694           | 193,982           |
| Total Current Liabilities                                        | 502,689           | 891,233           |
| Non-current Liabilities                                          |                   |                   |
| Accumulated losses on equity method investment                   | 110,259           | 14,562            |
| Long-term debt, net of current maturities                        | 337,684           | 426,624           |
| Total Non-current Liabilities                                    | 447,943           | 441,186           |
| Total Liabilities                                                | 950,632           | 1,332,419         |
| Net Assets                                                       |                   |                   |
| Unrestricted                                                     | 1,331,982         | 1,368,273         |
| Temporarily restricted                                           | 266,841           | 71,282            |
| Total Net Assets                                                 | 1,598,823         | 1,439,555         |
| Total Liabilities and Net Assets                                 | \$ 2,549,455      | \$ 2,771,974      |

The accompanying notes are an integral part of this financial statement

## WALLOWA RESOURCES

### Consolidated Statement of Activities and Changes in Net Assets

For the Year Ended December 31, 2013

|                                            | Unrestricted        | Temporarily<br>Restricted | Total               |
|--------------------------------------------|---------------------|---------------------------|---------------------|
| Support                                    |                     |                           |                     |
| Federal, state and local government grants | \$ 527.796          | \$ 51                     | \$ 527.847          |
| Foundation and corporate grants            | 128.637             | 221.738                   | 350.375             |
| Contributions and scholarships             | 351.643             | -                         | 351.643             |
| Program service revenue                    | 294.478             | 42.067                    | 336.545             |
| Rentals                                    | 176.946             | -                         | 176.946             |
| Sale of non-refundable option              | 12.500              | -                         | 12.500              |
| Other income                               | 14.713              | -                         | 14.713              |
| Total Support                              | <u>1.506.714</u>    | <u>263.855</u>            | <u>1.770.569</u>    |
| Expenses                                   |                     |                           |                     |
| Program Services                           |                     |                           |                     |
| Special initiatives                        | 152.698             | -                         | 152.698             |
| Field activities                           | 425.992             | -                         | 425.992             |
| Outreach and education                     | 117.127             | -                         | 117.127             |
| Subsidiary activities                      | 511.665             | -                         | 511.665             |
| Total Program Services                     | <u>1.207.482</u>    | <u>-</u>                  | <u>1.207.482</u>    |
| Support Services                           |                     |                           |                     |
| Administration                             | 308.122             | -                         | 308.122             |
| Total Support Services                     | <u>308.122</u>      | <u>-</u>                  | <u>308.122</u>      |
| Loss on equity method investment           | <u>95.697</u>       | <u>-</u>                  | <u>95.697</u>       |
| Total Expenses                             | <u>1.611.301</u>    | <u>-</u>                  | <u>1.611.301</u>    |
| Change in Net Assets                       | (104.587)           | 263.855                   | 159.268             |
| Beginning Net Assets                       | 1.368.273           | 71.282                    | 1.439.555           |
| Net Assets Released from Restriction       | <u>68.296</u>       | <u>(68.296)</u>           | <u>-</u>            |
| Ending Net Assets                          | <u>\$ 1.331.982</u> | <u>\$ 266.841</u>         | <u>\$ 1.598.823</u> |

The accompanying notes are an integral part of this financial statement

## WALLOWA RESOURCES

### Consolidated Statement of Activities and Changes in Net Assets For the Year Ended December 31, 2012

|                                             | Unrestricted        | Temporarily<br>Restricted | Total               |
|---------------------------------------------|---------------------|---------------------------|---------------------|
| Support                                     |                     |                           |                     |
| Federal, state and local government grants  | \$ 666.884          | \$ -                      | \$ 666.884          |
| Foundation and corporate grants             | 280.161             | 60.722                    | 340.883             |
| Contributions and scholarships              | 115.234             | -                         | 115.234             |
| Program service revenue                     | 204.723             | -                         | 204.723             |
| Rentals                                     | 225.371             | -                         | 225.371             |
| Sale of business energy tax credit          | 104.798             | -                         | 104.798             |
| Other income                                | 19.815              | -                         | 19.815              |
| Total Support                               | <u>1.616.986</u>    | <u>60.722</u>             | <u>1.677.708</u>    |
| Expenses                                    |                     |                           |                     |
| Program Services                            |                     |                           |                     |
| Special initiatives                         | 122.166             | -                         | 122.166             |
| Field activities                            | 408.902             | -                         | 408.902             |
| Outreach and education                      | 138.905             | -                         | 138.905             |
| Subsidiary Activities                       | 559.152             | -                         | 559.152             |
| Total Program Services                      | <u>1.229.125</u>    | <u>-</u>                  | <u>1.229.125</u>    |
| Support Services                            |                     |                           |                     |
| Administration                              | 352.641             | -                         | 352.641             |
| Total Support Services                      | <u>352.641</u>      | <u>-</u>                  | <u>352.641</u>      |
| Loss on equity method investment            | <u>14.562</u>       | <u>-</u>                  | <u>14.562</u>       |
| Total Expenses                              | <u>1.596.328</u>    | <u>-</u>                  | <u>1.596.328</u>    |
| Change in Net Assets                        | 20.658              | 60.722                    | 81.380              |
| Beginning Net Assets as Originally Reported | 1.266.460           | 91.715                    | 1.358.175           |
| Net Assets Released from Restriction        | <u>81.155</u>       | <u>(81.155)</u>           | <u>-</u>            |
| Ending Net Assets                           | <u>\$ 1.368.273</u> | <u>\$ 71.282</u>          | <u>\$ 1.439.555</u> |

The accompanying notes are an integral part of this financial statement

# WALLOWA RESOURCES

## Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2013

|                                        | Program Services    |                        |                     |                              |                          | Total<br>Program<br>Services |
|----------------------------------------|---------------------|------------------------|---------------------|------------------------------|--------------------------|------------------------------|
|                                        | Support<br>Services | Special<br>Initiatives | Field<br>Activities | Outreach<br>and<br>Education | Subsidiary<br>Activities |                              |
| Direct Program Costs                   |                     |                        |                     |                              |                          |                              |
| Personnel costs                        | \$ -                | \$ 64,583              | \$ 131,558          | \$ 89,745                    | \$ 110,678               | \$ 396,564                   |
| Contract services                      | -                   | 48,109                 | 266,590             | 469                          | 80,886                   | 396,054                      |
| Supplies                               | -                   | 312                    | 23,371              | 12,498                       | 6,770                    | 42,951                       |
| Rent                                   | -                   | -                      | -                   | 200                          | -                        | 200                          |
| Taxes                                  | -                   | -                      | -                   | -                            | 22,281                   | 22,281                       |
| Insurance                              | -                   | 33                     | (5,493)             | 105                          | 23,034                   | 17,679                       |
| Utilities                              | -                   | 469                    | 1,229               | 542                          | 98,444                   | 100,684                      |
| Repairs and maintenance                | -                   | 130                    | 322                 | 1,766                        | 11,774                   | 13,992                       |
| Travel                                 | -                   | 4,324                  | 4,320               | 1,611                        | 6,317                    | 16,572                       |
| Other direct expenses                  | -                   | 9,075                  | 1,952               | 7,596                        | -                        | 18,623                       |
| Total Direct Program Costs             | -                   | 127,035                | 423,849             | 114,532                      | 360,184                  | 1,025,600                    |
| General and Administrative Costs       |                     |                        |                     |                              |                          |                              |
| Personnel costs                        | 167,498             | -                      | -                   | -                            | -                        | -                            |
| Contract services                      | 55,961              | -                      | -                   | -                            | -                        | -                            |
| Supplies                               | 2,240               | -                      | -                   | -                            | -                        | -                            |
| Rent                                   | 0 06                | -                      | -                   | -                            | 460                      | 460                          |
| Taxes                                  | 1,554               | -                      | -                   | -                            | 539                      | 539                          |
| Insurance                              | 32,428              | -                      | -                   | -                            | -                        | -                            |
| Utilities                              | 4,467               | -                      | -                   | -                            | -                        | -                            |
| Repairs and maintenance                | 3,893               | -                      | -                   | -                            | -                        | -                            |
| Travel                                 | 1,643               | -                      | -                   | -                            | -                        | -                            |
| Bad debt expense                       | -                   | -                      | -                   | -                            | 26,989                   | 26,989                       |
| Other general and administrative       | 13,604              | -                      | -                   | -                            | 1,507                    | 1,507                        |
| Total General and Administrative Costs | 283,288             | -                      | -                   | -                            | 29,495                   | 29,495                       |
| Other Expenses                         |                     |                        |                     |                              |                          |                              |
| Depreciation                           | 11,666              | 25,663                 | 2,143               | 2,574                        | 89,510                   | 119,890                      |
| Interest                               | 13,168              | -                      | -                   | 21                           | 32,476                   | 32,497                       |
| Total Other Expenses                   | 24,834              | 25,663                 | 2,143               | 2,595                        | 121,986                  | 152,387                      |
| Total Expenses                         | \$ 308,122          | \$ 152,698             | \$ 425,992          | \$ 117,127                   | \$ 511,665               | \$ 1,207,482                 |

The accompanying notes are an integral part of this financial statement

## WALLOWA RESOURCES

### Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2012

|                                        |                     | Program Services       |                     |                              |                          |                              |
|----------------------------------------|---------------------|------------------------|---------------------|------------------------------|--------------------------|------------------------------|
|                                        | Support<br>Services | Special<br>Initiatives | Field<br>Activities | Outreach<br>and<br>Education | Subsidiary<br>Activities | Total<br>Program<br>Services |
| Direct Program Costs                   |                     |                        |                     |                              |                          |                              |
| Personnel costs                        | \$ -                | \$ 69,494              | \$ 157,100          | \$ 116,422                   | \$ 121,649               | \$ 464,665                   |
| Contract services                      | -                   | 45,201                 | 221,904             | 6,495                        | 118,953                  | 392,553                      |
| Supplies                               | -                   | 370                    | 12,956              | 6,059                        | 5,500                    | 24,885                       |
| Rent                                   | -                   | -                      | -                   | 100                          | -                        | 100                          |
| Taxes                                  | -                   | -                      | -                   | -                            | 10,397                   | 10,397                       |
| Insurance                              | -                   | -                      | 2,422               | (24)                         | 14,111                   | 16,509                       |
| Utilities                              | -                   | 190                    | 337                 | 254                          | 122,109                  | 122,890                      |
| Repairs and maintenance                | -                   | 772                    | 2,867               | 465                          | 13,683                   | 17,787                       |
| Travel                                 | -                   | 5,866                  | 7,884               | 1,856                        | 7,758                    | 23,364                       |
| Other direct expenses                  | -                   | 153                    | 3,431               | 6,928                        | -                        | 10,512                       |
| Total Direct Program Costs             | -                   | 122,047                | 408,901             | 138,555                      | 414,160                  | 1,083,662                    |
| General and Administrative Costs       |                     |                        |                     |                              |                          |                              |
| Personnel costs                        | 188,188             | -                      | -                   | -                            | -                        | -                            |
| Contract services                      | 30,251              | -                      | -                   | -                            | -                        | -                            |
| Supplies                               | 9,467               | -                      | -                   | -                            | -                        | -                            |
| Rent                                   | -                   | -                      | -                   | -                            | 1,061                    | 1,061                        |
| Taxes                                  | 1,352               | -                      | -                   | -                            | 150                      | 150                          |
| Insurance                              | 30,838              | -                      | -                   | -                            | -                        | -                            |
| Utilities                              | 8,028               | -                      | -                   | -                            | -                        | -                            |
| Repairs and maintenance                | 3,412               | -                      | -                   | -                            | -                        | -                            |
| Travel                                 | 467                 | -                      | -                   | -                            | -                        | -                            |
| Bad debt expense                       | -                   | -                      | -                   | -                            | 85,279                   | 85,279                       |
| Other general and administrative       | 15,609              | -                      | -                   | -                            | 3,653                    | 3,653                        |
| Total General and Administrative Costs | 287,613             | -                      | -                   | -                            | 90,143                   | 90,143                       |
| Other Expenses                         |                     |                        |                     |                              |                          |                              |
| Depreciation                           | 49,817              | -                      | -                   | -                            | 32,347                   | 32,347                       |
| Interest                               | 15,211              | 118                    | -                   | 350                          | 22,502                   | 22,971                       |
| Total Other Expenses                   | 65,028              | 118                    | -                   | 350                          | 54,849                   | 55,318                       |
| Total Expenses                         | <u>\$ 352,641</u>   | <u>\$ 122,165</u>      | <u>\$ 408,901</u>   | <u>\$ 138,905</u>            | <u>\$ 559,152</u>        | <u>\$ 1,229,123</u>          |

The accompanying notes are an integral part of this financial statement

# WALLOWA RESOURCES

## Comparative Consolidated Statement of Cash Flows For the Years Ended December 31, 2013 and 2012

|                                                                                            | <u>December 31, 2013</u> | <u>December 31, 2012</u> |
|--------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| Cash Flows from Operating Activities                                                       |                          |                          |
| Change in net assets                                                                       | \$ 159,268               | \$ 81,381                |
| Adjustments to reconcile change in net assets to net cash provided by operating activities |                          |                          |
| Depreciation                                                                               | 131,556                  | 82,164                   |
| (Gain) loss on investments                                                                 | 95,697                   | 14,562                   |
| (Gain) loss on sale of fixed assets                                                        | -                        | (1,527)                  |
| Donations in lieu of repayment of debt                                                     | (305,000)                | -                        |
| Fair market value adjustment                                                               | (155)                    | (118)                    |
| Bad debt expense                                                                           | 26,988                   | 85,279                   |
| (Increase) decrease in                                                                     |                          |                          |
| Accounts receivable                                                                        | 117,111                  | (133,540)                |
| Accrued interest receivable                                                                | (5,075)                  | -                        |
| Prepaid expenses                                                                           | 440                      | (9,606)                  |
| Inventory                                                                                  | (437)                    | (16,751)                 |
| Increase (decrease) in                                                                     |                          |                          |
| Accounts payable                                                                           | (26,210)                 | 21,756                   |
| Accrued interest payable                                                                   | (691)                    | -                        |
| Accrued expenses                                                                           | (1,140)                  | 16,539                   |
| Deferred revenue                                                                           | (56,288)                 | 47,852                   |
| Net Cash Provided by Operating Activities                                                  | 136,064                  | 187,992                  |
| Cash Flows from Investing Activities                                                       |                          |                          |
| Purchase of property and equipment                                                         | (30,473)                 | (631,636)                |
| Proceeds from sale of fixed assets                                                         | -                        | 8,050                    |
| Advance funding of tenant improvements                                                     | (79,209)                 | -                        |
| Recovery of tenant improvement costs                                                       | 2,665                    | -                        |
| Net Cash (Used) by Investing Activities                                                    | (107,017)                | (623,586)                |
| Cash Flows from Financing Activities                                                       |                          |                          |
| Financing of suppliers                                                                     | 7,302                    | (52,216)                 |
| Principal repayments on short-term debt                                                    | (792,273)                | (339,555)                |
| Proceeds from short-term debt                                                              | 533,500                  | 598,085                  |
| Principal repayments on long-term debt                                                     | (29,471)                 | (11,121)                 |
| Proceeds from long-term debt                                                               | 154,000                  | 241,000                  |
| Net Cash Provided (Used) by Financing Activities                                           | (126,942)                | 436,193                  |
| Net Increase (Decrease) in Cash and Cash Equivalents                                       | (97,895)                 | 599                      |
| Cash and Cash Equivalents as of Beginning of Year                                          | 70,116                   | 69,517                   |
| Cash and Cash Equivalents as of End of Year                                                | <u>\$ (27,779)</u>       | <u>\$ 70,116</u>         |

The accompanying notes are an integral part of this financial statement

**Wallowa Resources**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 – Summary of Significant Accounting Policies**

The Organization

Wallowa Resources (Organization) was incorporated in Oregon on October 18, 1996, under the State of Oregon Non-Profit Corporation Statutes. The Organization seeks to promote watershed health, stabilize and strengthen the natural resource-based economy and broaden community understanding of the ties between environmental health and economic health in Wallowa County, Oregon and the surrounding region.

Financial Statement Presentation and Basis of Accounting

The Organization's accounts are maintained on the accrual basis of accounting. Under the Financial Accounting Standards Board's Accounting Standards Codification ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Amounts received that are designated for future periods or restricted by the donor or grantor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restriction. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized.

Promises to Give and Contributions

Contributions are recognized when the donor gives or makes a promise to give to the Organization that is, in substance, unconditional. A grant contribution is distinguished from an exchange transaction as follows: a grant would likely be a contribution if the activity specified by the grant is planned and carried out by the nonprofit and the nonprofit has the right to the benefits; a grant would likely be an exchange transaction if the grantor provides the materials and retains the right to the results. Donated in-kind professional services are recorded as a contribution and an expenditure at fair market value. During the year ended December 31, 2013, the value of promises to give were not material and have not been recorded.

Principles of Consolidation and Operations of Subsidiaries

The consolidated financial statements include the accounts of Wallowa Resources and its subsidiaries, Wallowa Resources Community Solutions, Inc. (a for-profit C-corporation) and Wallowa Resources Stewardship Center LLC (an Oregon limited liability company operated as a non-profit). Wallowa Resources owns all of the outstanding stock of Wallowa Resources Community Solutions Inc., which was organized in May 2001 to assist Wallowa Resources in carrying out its objectives by demonstrating the commercial viability and efficiently making use of low value natural resources located in Wallowa County. In 2010, Wallowa Resources received ownership of certain real property donated to the Organization by the Wallowa Valley Health Care Foundation. The property has become the Organization's headquarters and a source of additional revenue. Wallowa Resources Stewardship Center LLC is the legal entity created to accept, maintain and operate this property. The Organization leases space contained in the facility. Wallowa Resources is the only member of Wallowa Resources Stewardship Center LLC, and controls 100% of all membership interests. All intercompany activity has been eliminated in consolidation.

**Wallowa Resources**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 – Summary of Significant Accounting Policies, Continued**

Equity Method Investments

Wallowa Resources acquired a 31% interest in Integrated Biomass Resources, LLC (IBR) during the year ended December 31, 2012. This investment has been accounted for using the equity method. The investment was acquired by allowing IBR the use of certain equipment belonging to Wallowa Resources with no cash investment. Wallowa Resources' share of the accumulated losses are presented as a liability and expense in the financial statements.

Grants

Grants awarded to the Organization that will provide support for a particular program are recognized as an increase in temporarily restricted net assets when the award is made and it is expected that conditions of the award will be met. If program expenditures must be incurred before reimbursement is made by the grantor, however, the grant is recorded as this condition is met. When money is received from a government agency under a grant agreement where the conditions of the grant have not yet been fulfilled, and there is the possibility of repayment should the grant conditions not be fulfilled, a deferred revenue liability is recorded.

Accounts and Notes Receivable

The Organization's accounts receivable are primarily balances due on reimbursement based grant agreements. Short and long-term notes receivable are a result of business transactions with others. The Organization uses the allowance method for doubtful accounts.

Inventories

Inventories consist of heating oil and biomass fuel used to heat the Stewardship Center building and are valued at the lower of cost or market.

Fixed Assets

Assets that are capital in nature, have a cost greater than \$2,000, and have an expected useful life in excess of one year are capitalized at cost, except for donations, which are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor, and transfers temporarily restricted net assets to unrestricted net assets. The Organization depreciates property and equipment using the straight-line method over the estimated useful lives of the assets. Estimated useful lives generally range from five to seven years for furniture, fixtures, computer equipment, software and vehicles, 10 to 25 years for alternative energy equipment and 40 years for buildings. Land is not depreciated.

Income Taxes

Wallowa Resources is a not-for-profit Organization that is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. However, Wallowa Resources Community Solutions, Inc. is a C-corporation subject to income tax. As of December 31,

**Wallowa Resources**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 – Summary of Significant Accounting Policies, continued**

Income Taxes continued.

2013, the subsidiary had an unused net operating loss carry forward of \$541,199 which can be used to offset future taxable income. Of this loss carry forward, \$40,571 will expire in 2029, \$211,641 will expire in 2032, and \$288,987 will expire in 2033. Income tax returns are filed in the United States and Oregon. As of December 31, 2013 all tax years prior to 2010 are no longer subject to examination by taxing authorities. Wallowa Resources Stewardship Center LLC is a single member limited liability company and considered a disregarded entity for income tax purposes. Its net income or loss is combined with Wallowa Resources for reporting purposes.

Investments

In accordance with FASB ASC 320, investments in marketable securities with readily determinable fair values are reported at their fair values in the Statement 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 unrestricted net assets 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.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Functional Allocation of Expenses

Costs of providing the various programs, services and other activities are summarized on a functional basis in the Statement of Activities. Accordingly, certain costs are allocated among the various programs and supporting services.

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.

Restrictions on Net Assets

Temporarily restricted net assets as of December 31, 2013 and 2012 consist of foundation grants that were given to the Organization with the intent that they be used for a specified purpose. The Organization intends to spend these funds on each purpose specified in future periods.

Fair Value Measurements

The Organization recognizes financial assets and financial liabilities at fair value. Fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy maximizes the use of observable market data and minimizes the use of unobservable inputs, to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources.

**Wallowa Resources**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 1 – Summary of Significant Accounting Policies, Continued**

Fair Value Measurements continued.

independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. These include highly liquid U.S. Treasury securities and exchange traded equity and derivative instruments.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Included in Level 2 are derivative instruments which are priced using models with observable market inputs, including interest rates, foreign currency, and certain credit swap contracts.

Level 3 inputs are observable inputs for the asset or liability including assumptions about risk.

Adjustment to fair value of "available for sale" securities is done on a periodic basis.

Reclassifications

Certain amounts in the 2012 financial statements have been reclassified to conform to the current year's presentation.

**NOTE 2 – Investments**

Investments are stated at fair value and consist of marketable equity securities only. These securities are considered level one, as described above. Cost and fair value of the securities at December 31, 2013 and 2012 are as follows:

|                        | <u>Cost</u>     | <u>Fair Value<br/>12/31/2013</u> | <u>Fair Value<br/>12/31/2012</u> |
|------------------------|-----------------|----------------------------------|----------------------------------|
| Available for Sale     |                 |                                  |                                  |
| Capital Income Builder | \$ 931          | \$ 1,122                         | \$ 976                           |
| Citigroup, Inc.        | 868             | 52                               | 43                               |
|                        | <u>\$ 1,799</u> | <u>\$ 1,174</u>                  | <u>\$ 1,019</u>                  |

**Wallowa Resources**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 3 – Cash**

Cash and cash equivalents at December 31, 2013 and 2012 are comprised of the following

|                                 | <u>12/31/2013</u>  | <u>12/31/2012</u> |
|---------------------------------|--------------------|-------------------|
| Wallowa Resources               |                    |                   |
| Community Bank Checking         | \$ (46,091)        | \$ 48,433         |
| Community Bank Savings          | 11,131             | 11,120            |
| Sterling Bank Money Market      | -                  | 964               |
| Edward Jones Money Market       | 31                 | 31                |
| Cash on Hand                    | 286                | 285               |
| Community Solutions             |                    |                   |
| Community Bank Checking         | 1,670              | 4,945             |
| Capital Pacific Bank Checking   | -                  | (12)              |
| Stewardship Center              |                    |                   |
| Bank of Eastern Oregon Checking | 5,196              | 4,350             |
| Totals                          | <u>\$ (27,777)</u> | <u>\$ 70,116</u>  |

The Organization utilizes an integrated system of cash management whereby book bank overdrafts are automatically covered by the line of credit as items are presented for payment. Available funds in the Organization's checking account are regularly applied to reduce the line of credit balance. Depository accounts at each of the above banks are insured by the Federal Deposit Insurance Corporation for up to \$250,000 at each depository. At December 31, 2013 the Organization had no uninsured cash balances.

**NOTE 4 – Notes Receivable**

In September 2011, Wallowa Resources Stewardship Center agreed to provide a revolving line of credit to Wallowa Valley Networks, a local internet service provider, to facilitate infrastructure upgrades that would benefit the Stewardship Center and its tenants, including the Organization. The maximum amount available under the line was \$10,000 and interest was to accrue at the rate of 3.0% per annum. No monthly payments were required, however, the entire unpaid balance, including interest, was due and payable on September 29, 2013. At December 31, 2012 the unpaid principal balance was \$2,000, the note was fully paid prior to the 2013 maturity date.

On October 15, 2012, Wallowa Resources Community Solutions, Inc. (CSI) received from Alternative Energy Solutions International, Inc. (AESI) an amended and restated promissory note in the amount of \$135,279 for the amount due as a result of AESI's default on delivery of equipment CSI had purchased on contract and subsequent default on an original note in the amount of \$168,813, which liability had been partially discharged by AESI's subsequent delivery and installation of certain additional equipment as agreed. In April 2013, AESI made a \$10,000 payment on the amended and restated promissory note, \$5,302 of which was applied to principal. AESI defaulted on the original equipment delivery and both the original and the amended and restated promissory notes due to financial hardship. At December 31, 2013, the remaining balance of the amended and restated note plus accrued interest totaled \$137,267. In view of AESI's financial condition, but also recognizing that AESI is an expert on alternative energy and still actively marketing equipment, Wallowa Resources management estimates that it will collect an additional

**Wallowa Resources**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 4 – Notes Receivable, continued**

\$25,000 on the amended and restated note and has therefore recorded a \$112,267 allowance for doubtful accounts, of which \$85,279 was recorded in 2012 and \$26,988 in 2013

As a condition of a lease of office space to the U S Department of Agriculture (USDA), Wallowa Resources expended \$79,209 during 2013 for improvements specifically for the convenience of the USDA. The USDA has agreed to pay for these improvements over 111 months with interest imputed at 1.5%. The remaining balance of this receivable at December 31, 2013 is \$76,544.

**NOTE 5 – Fixed Assets**

For the years ended December 31, 2013 and 2012, changes in property, plant and equipment and related accumulated depreciation were as follows:

|                            | <b>Balance<br/>12/31/2011</b> | <b>Additions</b>    | <b>Disposals<br/>and<br/>Reclassifications</b> | <b>Balance<br/>12/31/2012</b> |
|----------------------------|-------------------------------|---------------------|------------------------------------------------|-------------------------------|
| Buildings and improvements | \$ 864.627                    | \$ 36.857           | \$ -                                           | \$ 901.484                    |
| Equipment                  | 571.391                       | 1,268.001           | 10.577                                         | 1,828.815                     |
| Construction in progress   | 673.222                       | -                   | 673.222                                        | -                             |
| Land                       | 100.000                       | -                   | -                                              | 100.000                       |
| Subtotal                   | 2,209.240                     | 1,304.858           | 683.799                                        | 2,830.299                     |
| Accumulated depreciation   | (332.406)                     | (82.164)            | (4.054)                                        | (410.516)                     |
| Fixed assets, net          | <u>\$ 1,876.834</u>           | <u>\$ 1,222.694</u> | <u>\$ 679.745</u>                              | <u>\$ 2,419.783</u>           |

|                            | <b>Balance<br/>12/31/2012</b> | <b>Additions</b>    | <b>Disposals<br/>and<br/>Reclassifications</b> | <b>Balance<br/>12/31/2013</b> |
|----------------------------|-------------------------------|---------------------|------------------------------------------------|-------------------------------|
| Buildings and improvements | \$ 901.484                    | \$ 2.500            | \$ -                                           | \$ 903.984                    |
| Equipment                  | 1,828.815                     | 27.973              | -                                              | 1,856.788                     |
| Land                       | 100.000                       | -                   | -                                              | 100.000                       |
| Subtotal                   | 2,830.299                     | 30.473              | -                                              | 2,860.772                     |
| Accumulated depreciation   | (410.516)                     | (131.557)           | -                                              | (542.073)                     |
| Fixed assets, net          | <u>\$ 2,419.783</u>           | <u>\$ (101.084)</u> | <u>\$ -</u>                                    | <u>\$ 2,318.699</u>           |

Depreciation expense for the years ended December 31, 2013 and 2012 was \$131,557 and \$82,164 respectively.

**NOTE 6 – Retirement Plan**

Wallowa Resources maintains a defined contribution retirement plan under Internal Revenue Code Section 403(b). Employees over 21 years of age are eligible to participate in the plan upon employment with Wallowa Resources and will receive employer contributions upon completion of six months of continuous employment. The plan currently provides for employer contributions of 4% of eligible employee compensation. Employee elective contributions may be made up to the amounts allowed by the Internal Revenue Code. This plan can be modified by the Board of Directors at any time. For the years

**Wallowa Resources**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 6 – Retirement Plan, continued**

ended December 31, 2013 and 2012 total employer contributions to the plan were \$13,007 and \$14,475 respectively

**NOTE 7 – Compensated Absences**

All full-time and part-time employees are eligible for and begin to accrue vacation pay at the beginning of the first full month of employment, subject to plan limits. Vacation may be used after six months of employment. Monthly and annual vacation accruals are as follows:

| <u>Years of Employment</u> | <u>Hours per Month</u> | <u>Hours per Year</u> |
|----------------------------|------------------------|-----------------------|
| 0-1                        | 6.66                   | 80                    |
| 1-3                        | 10                     | 120                   |
| 3-8                        | 13.33                  | 160                   |
| Over 8                     | 16.66                  | 200                   |

As of December 31, 2013 and 2012, accrued vacation pay totaled \$19,426 and \$24,447, respectively. Under the terms of the Organization's policy, employees are allowed to accrue unused vacation up to a maximum of 240 hours and unused vacation is paid at termination.

Employees are also eligible for six days of personal leave per year to be used for illness or personal business. Personal leave does not carry over from year to year and unused leave is not paid at termination.

**NOTE 8 – Line of Credit**

Wallowa Resources has secured a \$245,000 line of credit from Community Bank. The terms of the agreement include a due date of September 13, 2014 and a minimum 6.0% variable interest rate. The outstanding principal balance of this short term note at December 31, 2013 and 2012 was \$100,016 and \$245,000 respectively. The note is secured by real property, accounts receivable, intangibles and contract rights. Interest is paid monthly.

**NOTE 9 – Short-Term Debt**

On November 27, 2012, Wallowa Resources secured a short term loan of \$18,000 from the Janet Christine Noel Trust to conduct its activities. This trust is administered by James Henson, a member of the Organization's Board of Directors. The terms of the agreement included a due date of February 28, 2013 and an interest rate of 5% per annum. The outstanding principal balance of this short term note at December 31, 2012 was \$18,000. The loan was paid in full in March 2013 and the interest was forgiven as a contribution from the lender to Wallowa Resources.

On November 7, 2012, Wallowa Resources secured a short term loan of \$20,000 from G. Douglas McDaniel, a member of the Organization's Board of Directors, to conduct its activities. The terms of the agreement included a due date of November 6, 2013 and an interest rate of 3% calculated on the basis of a 365-day year with interest due upon maturity. The outstanding principal balance of this short term note at

**Wallowa Resources**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 9 – Short Term Debt, continued**

December 31, 2012 was \$20,000. In January 2013, the principal of this note and the accrued interest were forgiven as a contribution from the lender to Wallowa Resources.

On December 26, 2012, Wallowa Resources secured a short term loan of \$5,000 from Peter Ferre, a member of the Organization's Board of Directors, to conduct its activities. The terms of the agreement included a due date of December 26, 2013 and an interest rate of 3% calculated on the basis of a 365-day year with interest due upon maturity. The outstanding principal balance of this short term note at December 31, 2012 was \$5,000. In January 2013, the principal of this note and the accrued interest were forgiven as a contribution from the lender to Wallowa Resources.

On November 19, 2012, Wallowa Resources Community Solutions, Inc. converted accounts payable of \$141,498 to Wellens Farwell, Inc. for Integrated Biomass Energy Campus project expenses to a short-term promissory note. The terms of the agreement included a due date of January 31, 2013 and an interest rate of 2%, increasing to a default rate of 6.5% if the note was not paid by the due date. The outstanding principal balance of this promissory note at December 31, 2012 was \$95,793. The note and accrued interest were paid in full on July 31, 2013.

On July 11, 2012, Wallowa Resources secured an advance from Wallowa County, Oregon for \$75,000 in order to make payment directly to the manufacturer for equipment ordered through AESI. This was after AESI encountered financial difficulty and was unable to make payment to the manufacturer from the funds previously advanced to it by Wallowa Resources. This advance was to be paid back from proceeds of the AESI note when it is collected. On October 1, 2012, an additional \$20,000 was subsequently borrowed from Wallowa County in order to complete the Integrated Biomass Energy Campus (IBEC) Combined Heat and Power project. This loan was to be paid back when funds are available. As of December 31, 2013 neither of these loan agreements were in writing. On June 16, 2014, Wallowa Resources and Wallowa County signed an agreement stipulating that as of December 31, 2013 the \$75,000 advance was to be considered a general support grant to facilitate the Organization's investment in IBEC and the \$20,000 advance was to be considered a down-payment by Wallowa County on future lease payments for additional space to be occupied by the Veterans Administration clinic located in the Stewardship Center.

**Wallowa Resources**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 10 – Long-term Debt**

Long-term debt was comprised of the following at December 31, 2013 and 2012

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>12/31/2013</u> | <u>12/31/2012</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Wallowa Resources                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                   |                   |
| Note payable to Toyota Financial Services, secured by equipment, monthly payments of \$358, including interest at 2.9%, matures on April 23, 2015                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$ 5,619          | \$ 9,689          |
| Note Payable to Sterling Savings Bank, secured by equipment, monthly payments of \$384, including interest at 7.25%, matures May 1, 2013                                                                                                                                                                                                                                                                                                                                                                                                                                            | -                 | 1,864             |
| Note Payable to Erik Christoffersen, brother of Executive Director Nils Christoffersen, annual payments of \$5,000, including interest at 3.2%, matures December 31, 2018                                                                                                                                                                                                                                                                                                                                                                                                           | 25,000            | -                 |
| Note payable to James B. Henson, Wallowa Resources Board member, annual payments of \$4,040, including interest at 5%, matures February 25, 2013                                                                                                                                                                                                                                                                                                                                                                                                                                    | 3,844             | 7,511             |
| Community Solutions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                   |                   |
| Note payable to James B. Henson, Wallowa Resources Board member, monthly payments (estimated at \$3,344 annually) are based upon feed-in tariff payments received from solar generated electricity sales to Pacific Power, including interest at 7%, maturity estimated to be January 31, 2023                                                                                                                                                                                                                                                                                      | 22,469            | 24,362            |
| Note payable to Myron Kirkpatrick, Wallowa Resources CFO, and Kendra Kirkpatrick, monthly payments (estimated at \$2,573 annually) are based upon feed-in tariff payments received from solar generated electricity sales to Pacific Power, including interest at 7%, maturity estimated to be January 31, 2023                                                                                                                                                                                                                                                                     | 17,283            | 18,740            |
| Note payable to Business Oregon, monthly payments of \$1,250, payments suspended until December 2014, 0% interest, maturity of January 1, 2018                                                                                                                                                                                                                                                                                                                                                                                                                                      | 62,500            | -                 |
| Stewardship Center                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                   |                   |
| Note payable to G. Douglas McDaniel Trust, trustee is Wallowa Resources Board member, originally structured as a line of credit with a maximum amount available of \$400,000. At December 31, 2013, with a principal balance of \$400,000 and no accrued interest outstanding, \$200,000 of the principal was forgiven by the lender as a contribution to Wallowa Resources Stewardship Center, LLC and the remaining \$200,000 was converted to a 20-year term loan at a fixed interest rate of 3.2% with monthly payments of \$1,129.33. This note will mature December 31, 2033. | 200,000           | 391,000           |
| Note Payable to the Christoffersen Family Living Trust, Trustee is Erik Christoffersen, brother of Executive Director Nils Christoffersen, monthly payments of \$782.65, including interest at 6.5%, matures May 15, 2018                                                                                                                                                                                                                                                                                                                                                           | 35,981            | -                 |
| Total Long Term Debt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 372,696           | 453,166           |
| Less: Current Portion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | (35,012)          | (26,541)          |
| Long Term Debt Net of Current Portion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <u>\$ 337,684</u> | <u>\$ 426,625</u> |

**Wallowa Resources**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 10 – Long-term Debt, continued**

Aggregate maturities of long term debt over the next five years are estimated as follows

| <u>Year Ending<br/>December 31,</u> | <u>Amount</u>     |
|-------------------------------------|-------------------|
| 2014                                | \$ 35.013         |
| 2015                                | 40.672            |
| 2016                                | 40.293            |
| 2017                                | 41.415            |
| 2018                                | 35.788            |
| Thereafter                          | 179.515           |
| Total                               | <u>\$ 372.696</u> |

Cash basis interest paid for the years ended December 31, 2013 and 2012 was \$44,879 and \$36,929 respectively

**NOTE 11 – Commitments and Contingencies**

During 2012, Wallowa Resources Community Solutions, Inc (CSI) became an equity owner in Integrated Biomass Resources LLC (IBR), contributing the use of equipment During the year, one of the original members of IBR withdrew and a new member was admitted, leaving CSI's ownership interest at 31% as of December 31 CSI was contingently liable on IBR's line of credit with Community Bank, the balance of which was \$59,600 at December 31, 2012 In June 2013, IBR secured a \$3,750,000 loan from BizCapital BIDCO I, LLC with a U S Small Business Administration (SBA) guarantee CSI is a co-guarantor of this debt along with the majority owners of IBR CSI's loan guarantee is made specifically by and limited to CSI whose assets are the basis of the pledge The guarantees of the majority owners and CSI are primary to the SBA guarantee

Amounts received or receivable from outside agencies are subject to audit and adjustment by those agencies Adjustments in amounts claimed as allowable program expenses may result in a future liability of the Organization

**NOTE 12 – Related Parties**

During 2011, Integrated Biomass Resources LLC (IBR) partnered with Wallowa Resources to build a biomass energy complex on property then owned by Wallowa County but subsequently purchased by IBR During 2012, Wallowa Resources Community Solutions, Inc formally became an equity owner in IBR as described in Note 11, and as of December 31, 2012 and 2013 owned 31% of that entity A former Wallowa Resources Board Member and his spouse own 57% of IBR

**Wallowa Resources**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 12 – Related Parties, continued**

From time to time, the Organization has entered into contracts for construction and professional services with members of the Board of Directors and its Advisory Committee. During the years ended December 31, 2013 and 2012, service contracts with related parties totaled \$57,104 and \$91,383 respectively. Wallowa Resources also rented office space to businesses owned by a CSI Board member for a total of \$2,800 and \$8,817 for 2013 and 2012 respectively.

Long-term and short-term financing has been obtained from members of the Board of Directors of Wallowa Resources and its Chief Financial Officer. Terms of these financing arrangements and the relationships are disclosed in Notes (9) and (10).

**NOTE 13- Fundraising Activities**

Each year, Wallowa Resources conducts several activities in an effort to raise community awareness and funds. The total amount directly spent on fundraising activities was \$12,508 and \$5,367 for the years ended December 31, 2013 and 2012 respectively.

**NOTE 14- Subsequent Events**

Subsequent events have been evaluated through the date of the Auditor's report and there are no material subsequent events that require disclosure in the financial statements.

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## SUPPLEMENTARY INFORMATION

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# Wallowa Resources

## CONSOLIDATING SCHEDULE OF FINANCIAL POSITION December 31, 2013

| ASSETS                                         | Wallowa<br>Resources       | WR<br>Community<br>Solutions, Inc | WR<br>Stewardship<br>Center LLC | Intercompany<br>Eliminations | Consolidated<br>Balances   |
|------------------------------------------------|----------------------------|-----------------------------------|---------------------------------|------------------------------|----------------------------|
| <b>Current Assets</b>                          |                            |                                   |                                 |                              |                            |
| Cash on hand and in banks                      | \$ 11,446                  | \$ 1,670                          | \$ 5,196                        | \$ -                         | \$ 18,312                  |
| Accounts receivable                            | 56,318                     | 11,703                            | 2,532                           | (3,605)                      | 66,948                     |
| Investments                                    | 1,174                      | -                                 | -                               | -                            | 1,174                      |
| Prepaid expenses                               | 18,618                     | 858                               | 6,114                           | -                            | 25,590                     |
| Notes receivable - current portion             | -                          | -                                 | 9,185                           | -                            | 9,185                      |
| Accrued interest                               | -                          | 7,291                             | 5,353                           | (5,353)                      | 7,291                      |
| Inventory                                      | -                          | -                                 | 17,188                          | -                            | 17,188                     |
| Total Current Assets                           | <u>87,556</u>              | <u>21,522</u>                     | <u>45,568</u>                   | <u>(8,958)</u>               | <u>145,688</u>             |
| <b>Fixed Assets</b>                            |                            |                                   |                                 |                              |                            |
| Buildings and improvements                     | 12,000                     | -                                 | 891,984                         | -                            | 903,984                    |
| Equipment                                      | 492,466                    | 1,347,307                         | 17,015                          | -                            | 1,856,788                  |
| Land                                           | -                          | -                                 | 100,000                         | -                            | 100,000                    |
| Accumulated depreciation                       | (376,645)                  | (83,690)                          | (81,738)                        | -                            | (542,073)                  |
| Net Fixed Assets                               | <u>127,821</u>             | <u>1,263,617</u>                  | <u>927,261</u>                  | <u>-</u>                     | <u>2,318,699</u>           |
| <b>Other Assets</b>                            |                            |                                   |                                 |                              |                            |
| Notes receivable, net of current portion       | -                          | 20,490                            | 165,029                         | (100,451)                    | 85,068                     |
| Investments in subsidiaries                    | 1,822,002                  | -                                 | -                               | (1,822,002)                  | -                          |
| Total Other Assets                             | <u>1,822,002</u>           | <u>20,490</u>                     | <u>165,029</u>                  | <u>(1,922,453)</u>           | <u>85,068</u>              |
| <b>Total Assets</b>                            | <u><u>\$ 2,037,379</u></u> | <u><u>\$ 1,305,629</u></u>        | <u><u>1,137,858</u></u>         | <u><u>\$ (1,931,411)</u></u> | <u><u>\$ 2,549,455</u></u> |
| <b>LIABILITIES AND NET ASSETS</b>              |                            |                                   |                                 |                              |                            |
| <b>Current Liabilities</b>                     |                            |                                   |                                 |                              |                            |
| Accounts payable                               | \$ 46,812                  | \$ 32,319                         | \$ 50,876                       | \$ (3,605)                   | 126,402                    |
| Bank overdraft                                 | 46,091                     | -                                 | -                               | -                            | 46,091                     |
| Payroll liabilities                            | 9,950                      | 1,444                             | 893                             | -                            | 12,287                     |
| Short-term notes                               | 175,297                    | 45,170                            | -                               | (100,451)                    | 120,016                    |
| Accrued vacation                               | 19,426                     | -                                 | 481                             | -                            | 19,907                     |
| Accrued interest                               | 3,823                      | 1,995                             | 590                             | (5,353)                      | 1,055                      |
| Long-term debt - current maturities            | 13,036                     | 7,472                             | 14,504                          | -                            | 35,012                     |
| Tenant deposits                                | -                          | -                                 | 4,225                           | -                            | 4,225                      |
| Deferred revenue                               | 102,694                    | 35,000                            | -                               | -                            | 137,694                    |
| Total Current Liabilities                      | <u>417,129</u>             | <u>123,400</u>                    | <u>71,569</u>                   | <u>(109,410)</u>             | <u>502,689</u>             |
| <b>Non-current Liabilities</b>                 |                            |                                   |                                 |                              |                            |
| Accumulated losses on equity method investment | -                          | 110,259                           | -                               | -                            | 110,259                    |
| Long-term debt, net of current maturities      | 21,427                     | 94,780                            | 221,477                         | -                            | 337,684                    |
| Total Non-current Liabilities                  | <u>21,427</u>              | <u>205,039</u>                    | <u>221,477</u>                  | <u>-</u>                     | <u>447,943</u>             |
| <b>Total Liabilities</b>                       | <u>438,556</u>             | <u>328,439</u>                    | <u>293,046</u>                  | <u>(109,410)</u>             | <u>950,632</u>             |
| <b>Net Assets</b>                              |                            |                                   |                                 |                              |                            |
| Unrestricted                                   | 1,331,982                  | -                                 | -                               | -                            | 1,331,982                  |
| Temporarily restricted                         | 266,841                    | -                                 | -                               | -                            | 266,841                    |
| Additional paid-in capital                     | -                          | 864,232                           | -                               | (864,232)                    | -                          |
| Retained earnings                              | -                          | 112,958                           | -                               | (112,958)                    | -                          |
| Member equity                                  | -                          | -                                 | 844,812                         | (844,812)                    | -                          |
| Total Net Assets                               | <u>1,598,823</u>           | <u>977,190</u>                    | <u>844,812</u>                  | <u>(1,822,002)</u>           | <u>1,598,823</u>           |
| <b>Total Liabilities and Net Assets</b>        | <u><u>\$ 2,037,379</u></u> | <u><u>\$ 1,305,629</u></u>        | <u><u>\$ 1,137,858</u></u>      | <u><u>\$ (1,931,411)</u></u> | <u><u>\$ 2,549,455</u></u> |

# Wallowa Resources

## CONSOLIDATING SCHEDULE OF CHANGES IN NET ASSETS

For the Year Ended December 31, 2013

|                                            | Unrestricted         |                                    |                                 |                              |                          |
|--------------------------------------------|----------------------|------------------------------------|---------------------------------|------------------------------|--------------------------|
|                                            | Wallowa<br>Resources | WR<br>Community<br>Solutions, Inc. | WR<br>Stewardship<br>Center LLC | Intercompany<br>Eliminations | Consolidated<br>Balances |
| Revenues and Support                       |                      |                                    |                                 |                              |                          |
| Federal, state and local government grants | \$ 519,081           | \$ 8,715                           | \$ -                            | \$ -                         | \$ 527,796               |
| Foundation and corporate grants            | 128,637              | -                                  | -                               | -                            | 128,637                  |
| Contributions and scholarships             | 151,643              | -                                  | 200,000                         | -                            | 351,643                  |
| Program service revenue                    | 177,826              | 213,952                            | -                               | (97,300)                     | 294,478                  |
| Rentals                                    | 771                  | -                                  | 210,326                         | (34,151)                     | 176,946                  |
| Sale of non-refundable option              | -                    | -                                  | 12,500                          | -                            | 12,500                   |
| Total Revenues and Support                 | 977,959              | 222,667                            | 422,826                         | (131,451)                    | 1,492,001                |
| Expenses                                   |                      |                                    |                                 |                              |                          |
| Direct Program Costs                       |                      |                                    |                                 |                              |                          |
| Personnel costs                            | 285,886              | 64,558                             | 46,120                          | -                            | 396,564                  |
| Contract services                          | 315,168              | 107,514                            | 32,672                          | (59,300)                     | 396,054                  |
| Supplies                                   | 36,181               | 3,339                              | 3,431                           | -                            | 42,951                   |
| Rent                                       | 200                  | -                                  | -                               | -                            | 200                      |
| Taxes                                      | -                    | 7,583                              | 14,698                          | -                            | 22,281                   |
| Insurance                                  | (5,355)              | 6,705                              | 16,329                          | -                            | 17,679                   |
| Utilities                                  | 2,240                | 1,299                              | 97,145                          | -                            | 100,684                  |
| Repairs and maintenance                    | 2,218                | 2,477                              | 9,297                           | -                            | 13,992                   |
| Travel                                     | 10,255               | 6,317                              | -                               | -                            | 16,572                   |
| Other direct expenses                      | 18,623               | -                                  | -                               | -                            | 18,623                   |
| Total Direct Program Costs                 | 665,416              | 199,792                            | 219,692                         | (59,300)                     | 1,025,600                |
| General and Administrative Costs           |                      |                                    |                                 |                              |                          |
| Personnel costs                            | 167,498              | -                                  | -                               | -                            | 167,498                  |
| Contract services                          | 93,961               | -                                  | -                               | (38,000)                     | 55,961                   |
| Supplies                                   | 2,240                | -                                  | -                               | -                            | 2,240                    |
| Rent                                       | 30,379               | 4,232                              | -                               | (34,151)                     | 460                      |
| Taxes                                      | 1,554                | 539                                | -                               | -                            | 2,093                    |
| Insurance                                  | 32,428               | -                                  | -                               | -                            | 32,428                   |
| Utilities                                  | 4,467                | -                                  | -                               | -                            | 4,467                    |
| Repairs and maintenance                    | 3,893                | -                                  | -                               | -                            | 3,893                    |
| Travel                                     | 1,643                | -                                  | -                               | -                            | 1,643                    |
| Other expenses                             | 13,604               | 1,033                              | 474                             | -                            | 15,111                   |
| Bad debt expense                           | -                    | 26,989                             | -                               | -                            | 26,989                   |
| Total General and Administrative Costs     | 351,667              | 32,793                             | 474                             | (72,151)                     | 312,783                  |
| Other (Income) and Expense                 |                      |                                    |                                 |                              |                          |
| Interest income                            | (4,739)              | (11,494)                           | (7,154)                         | 13,066                       | (10,321)                 |
| Income from subsidiaries                   | 11,954               | -                                  | -                               | (11,954)                     | -                        |
| Gain on stocks                             | (121)                | -                                  | -                               | -                            | (121)                    |
| Other income                               | (1,192)              | -                                  | (3,079)                         | -                            | (4,271)                  |
| Interest expense                           | 17,515               | 13,390                             | 27,826                          | (13,066)                     | 45,665                   |
| Depreciation                               | 42,046               | 65,722                             | 23,788                          | -                            | 131,556                  |
| Loss on equity method investment           | -                    | 95,697                             | -                               | -                            | 95,697                   |
| Total Other (Income) and Expense           | 65,463               | 163,315                            | 41,381                          | (11,954)                     | 258,205                  |
| Change in Net Assets                       | (104,587)            | (173,233)                          | 161,279                         | 11,954                       | (104,587)                |
| Beginning Net Assets                       | 1,368,273            | 1,121,184                          | 683,533                         | (1,804,717)                  | 1,368,273                |
| Contributed Capital                        | -                    | 29,239                             | -                               | (29,239)                     | -                        |
| Net Assets Released from Restriction       | 68,296               | -                                  | -                               | -                            | 68,296                   |
| Ending Net Assets                          | \$ 1,331,982         | \$ 977,190                         | \$ 844,812                      | \$ (1,822,002)               | \$ 1,331,982             |

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# Wallowa Resources

## CONSOLIDATING SCHEDULE OF FINANCIAL POSITION December 31, 2012

|                                                | Wallowa<br>Resources | WR<br>Community<br>Solutions, Inc | WR<br>Stewardship<br>Center LLC | Intercompany<br>Eliminations | Consolidated<br>Balances |
|------------------------------------------------|----------------------|-----------------------------------|---------------------------------|------------------------------|--------------------------|
| <b>ASSETS</b>                                  |                      |                                   |                                 |                              |                          |
| <b>Current Assets</b>                          |                      |                                   |                                 |                              |                          |
| Cash on hand and in banks                      | \$ 60,834            | \$ 4,933                          | \$ 4,350                        | \$ -                         | \$ 70,116                |
| Accounts receivable                            | 76,493               | 105,244                           | 2,591                           | (269)                        | 184,059                  |
| Investments                                    | 1,019                | -                                 | -                               | -                            | 1,019                    |
| Prepaid expenses                               | 23,440               | 1,416                             | 1,174                           | -                            | 26,030                   |
| Accrued interest                               | 2,420                | 2,155                             | 1,474                           | (3,833)                      | 2,216                    |
| Inventory                                      | -                    | -                                 | 16,751                          | -                            | 16,751                   |
| Total Current Assets                           | 164,206              | 113,748                           | 26,340                          | (4,102)                      | 300,191                  |
| <b>Fixed Assets</b>                            |                      |                                   |                                 |                              |                          |
| Buildings and improvements                     | 12,000               | -                                 | 889,483                         | -                            | 901,483                  |
| Equipment                                      | 483,255              | 1,342,046                         | 3,515                           | -                            | 1,828,816                |
| Land                                           | -                    | -                                 | 100,000                         | -                            | 100,000                  |
| Accumulated depreciation                       | (334,598)            | (17,968)                          | (57,950)                        | -                            | (410,516)                |
| Net Fixed Assets                               | 160,657              | 1,324,078                         | 935,048                         | -                            | 2,419,783                |
| <b>Other Assets</b>                            |                      |                                   |                                 |                              |                          |
| Note receivable                                | 95,000               | 72,000                            | 153,421                         | (268,421)                    | 52,000                   |
| Investments in subsidiaries                    | 1,804,717            | -                                 | -                               | (1,804,717)                  | -                        |
| Total Other Assets                             | 1,899,717            | 72,000                            | 153,421                         | (2,073,138)                  | 52,000                   |
| Total Assets                                   | \$ 2,224,580         | \$ 1,509,826                      | \$ 1,114,809                    | \$ (2,077,240)               | \$ 2,771,974             |
| <b>LIABILITIES AND NET ASSETS</b>              |                      |                                   |                                 |                              |                          |
| <b>Current Liabilities</b>                     |                      |                                   |                                 |                              |                          |
| Accounts payable                               | \$ 80,044            | \$ 38,138                         | \$ 34,700                       | \$ (269)                     | \$ 152,612               |
| Payroll Liabilities                            | 8,835                | 10                                | 42                              | -                            | 8,887                    |
| Short-term notes                               | 457,500              | 289,714                           | -                               | (268,421)                    | 478,793                  |
| Accrued vacation                               | 23,625               | -                                 | 822                             | -                            | 24,447                   |
| Accrued interest                               | 1,975                | 3,117                             | 487                             | (3,833)                      | 1,746                    |
| Long-term debt - current maturities            | 13,447               | 2,861                             | 10,233                          | -                            | 26,541                   |
| Tenant Deposits                                | -                    | -                                 | 4,225                           | -                            | 4,225                    |
| Deferred revenue                               | 193,982              | -                                 | -                               | -                            | 193,982                  |
| Total Current Liabilities                      | 779,408              | 333,840                           | 50,509                          | (272,523)                    | 891,233                  |
| <b>Non-current Liabilities</b>                 |                      |                                   |                                 |                              |                          |
| Accumulated losses on equity method investment | -                    | 14,562                            | -                               | -                            | 14,562                   |
| Long-term debt, net of current maturities      | 5,617                | 40,240                            | 380,767                         | -                            | 426,624                  |
| Total Non-current Liabilities                  | 5,617                | 54,802                            | 380,767                         | -                            | 441,186                  |
| Total Liabilities                              | 785,025              | 388,642                           | 431,276                         | (272,523)                    | 1,332,419                |
| <b>Net Assets</b>                              |                      |                                   |                                 |                              |                          |
| Unrestricted                                   | 1,368,273            | -                                 | -                               | -                            | 1,368,273                |
| Temporarily restricted                         | 71,282               | -                                 | -                               | -                            | 71,282                   |
| Additional paid-in capital                     | -                    | 834,992                           | -                               | (834,992)                    | -                        |
| Retained earnings                              | -                    | 286,192                           | -                               | (286,192)                    | -                        |
| Member equity                                  | -                    | -                                 | 683,533                         | (683,533)                    | -                        |
| Total Net Assets                               | 1,439,555            | 1,121,184                         | 683,533                         | (1,804,717)                  | 1,439,555                |
| Total Liabilities and Net Assets               | \$ 2,224,580         | \$ 1,509,826                      | \$ 1,114,809                    | \$ (2,077,240)               | \$ 2,771,974             |

## Wallowa Resources

### CONSOLIDATING SCHEDULE OF CHANGES IN NET ASSETS

For the Year Ended December 31, 2012

|                                            |                      | Unrestricted                      |                                 |                              |                          |
|--------------------------------------------|----------------------|-----------------------------------|---------------------------------|------------------------------|--------------------------|
|                                            | Wallowa<br>Resources | WR<br>Community<br>Solutions, Inc | WR<br>Stewardship<br>Center LLC | Intercompany<br>Eliminations | Consolidated<br>Balances |
| Revenues and Support                       |                      |                                   |                                 |                              |                          |
| Federal, state and local government grants | \$ 490,046           | \$ 176,838                        | \$ -                            | \$ -                         | \$ 666,884               |
| Foundation and corporate grants            | 210,161              | 70,000                            | -                               | -                            | 280,161                  |
| Contributions and scholarships             | 115,234              | -                                 | -                               | -                            | 115,234                  |
| Program service revenue                    | 86,089               | 428,789                           | -                               | (310,155)                    | 204,723                  |
| Rentals                                    | 545                  | -                                 | 260,105                         | (35,279)                     | 225,371                  |
| Sale of business energy tax credit         | -                    | 104,798                           | -                               | -                            | 104,798                  |
| Total Revenues and Support                 | <u>902,075</u>       | <u>780,425</u>                    | <u>260,105</u>                  | <u>(345,434)</u>             | <u>1,597,171</u>         |
| Expenses                                   |                      |                                   |                                 |                              |                          |
| Direct Program Costs                       |                      |                                   |                                 |                              |                          |
| Personnel costs                            | 343,017              | 68,591                            | 53,058                          | -                            | 464,666                  |
| Consultants and contractors                | 459,738              | 137,633                           | 105,338                         | (310,155)                    | 392,554                  |
| Project supplies and equipment             | 19,385               | 2,004                             | 3,497                           | -                            | 24,886                   |
| Rent                                       | 100                  | -                                 | -                               | -                            | 100                      |
| Taxes                                      | -                    | -                                 | 10,397                          | -                            | 10,397                   |
| Insurance                                  | 2,398                | 3,752                             | 10,359                          | -                            | 16,509                   |
| Utilities                                  | 781                  | 9,734                             | 112,375                         | -                            | 122,890                  |
| Repairs and Maintenance                    | 4,104                | 8,356                             | 5,326                           | -                            | 17,786                   |
| Travel                                     | 15,605               | 7,758                             | -                               | -                            | 23,363                   |
| Other Direct Expenses                      | 10,512               | -                                 | -                               | -                            | 10,512                   |
| Total Direct Program Costs                 | <u>855,640</u>       | <u>237,828</u>                    | <u>300,350</u>                  | <u>(310,155)</u>             | <u>1,083,663</u>         |
| General and Administrative Costs           |                      |                                   |                                 |                              |                          |
| Personnel costs                            | 188,189              | -                                 | -                               | -                            | 188,189                  |
| Contract services                          | 30,251               | -                                 | -                               | -                            | 30,251                   |
| Supplies                                   | 9,467                | -                                 | -                               | -                            | 9,467                    |
| Rent                                       | 30,173               | 6,166                             | -                               | (35,279)                     | 1,060                    |
| Taxes                                      | 1,352                | 150                               | -                               | -                            | 1,502                    |
| Insurance                                  | 30,838               | -                                 | -                               | -                            | 30,838                   |
| Utilities                                  | 8,028                | -                                 | -                               | -                            | 8,028                    |
| Repairs and maintenance                    | 3,412                | -                                 | -                               | -                            | 3,412                    |
| Travel                                     | 467                  | -                                 | -                               | -                            | 467                      |
| Other expenses                             | 15,609               | 2,712                             | 941                             | -                            | 19,262                   |
| Bad Debt Expense                           | -                    | 85,279                            | -                               | -                            | 85,279                   |
| Total General and Administrative Costs     | <u>317,786</u>       | <u>94,307</u>                     | <u>941</u>                      | <u>(35,279)</u>              | <u>377,755</u>           |
| Other (Income) and Expense                 |                      |                                   |                                 |                              |                          |
| Interest income                            | (2,472)              | (6,029)                           | (3,596)                         | 5,955                        | (6,142)                  |
| Income from subsidiaries                   | (353,010)            | -                                 | -                               | 353,010                      | -                        |
| Gain on sale of fixed asset                | (1,527)              | -                                 | -                               | -                            | (1,527)                  |
| Gain on stocks                             | (76)                 | -                                 | -                               | -                            | (76)                     |
| Other income                               | (1,233)              | -                                 | (10,835)                        | -                            | (12,068)                 |
| Interest expense                           | 16,492               | 8,557                             | 19,088                          | (5,955)                      | 38,182                   |
| Depreciation                               | 49,817               | 10,187                            | 22,160                          | -                            | 82,164                   |
| Loss on equity method investment           | -                    | 14,562                            | -                               | -                            | 14,562                   |
| Total Other (Income) and Expense           | <u>(292,009)</u>     | <u>27,277</u>                     | <u>26,817</u>                   | <u>353,010</u>               | <u>115,095</u>           |
| Change in Net Assets                       | 20,658               | 421,013                           | (68,003)                        | (353,010)                    | 20,658                   |
| Beginning Net Assets                       | 1,266,460            | 678,171                           | 751,536                         | (1,429,707)                  | 1,266,460                |
| Net Assets Released from Restriction       | <u>81,155</u>        | <u>22,000</u>                     | <u>-</u>                        | <u>(22,000)</u>              | <u>81,155</u>            |
| Ending Net Assets                          | <u>\$ 1,368,273</u>  | <u>\$ 1,121,184</u>               | <u>\$ 683,533</u>               | <u>\$ (1,804,717)</u>        | <u>\$ 1,368,273</u>      |

|                                                                         | <div style="text-align:center;">Temporarily Restricted</div>       |                                                                    |                                                                    |                                                                         |
|-------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------|
| <div>Wallowa<br/>Resources</div>                                        | <div>WR<br/>Community<br/>Solutions, Inc.</div>                    | <div>WR<br/>Stewardship<br/>Center LLC</div>                       | <div>Intercompany<br/>Eliminations</div>                           | <div>Consolidated<br/>Balances</div>                                    |
| \$ -                                                                    | \$ -                                                               | \$ -                                                               | \$ -                                                               | \$ -                                                                    |
| 60.722                                                                  | -                                                                  | -                                                                  | -                                                                  | 60.722                                                                  |
| -                                                                       | -                                                                  | -                                                                  | -                                                                  | -                                                                       |
| -                                                                       | -                                                                  | -                                                                  | -                                                                  | -                                                                       |
| -                                                                       | -                                                                  | -                                                                  | -                                                                  | -                                                                       |
| -                                                                       | -                                                                  | -                                                                  | -                                                                  | -                                                                       |
| <div style="border-top: 1px solid black;">60.722</div>                  | <div style="border-top: 1px solid black;">-</div>                  | <div style="border-top: 1px solid black;">-</div>                  | <div style="border-top: 1px solid black;">-</div>                  | <div style="border-top: 1px solid black;">60.722</div>                  |
|                                                                         |                                                                    |                                                                    |                                                                    |                                                                         |
| -                                                                       | -                                                                  | -                                                                  | -                                                                  | -                                                                       |
| -                                                                       | -                                                                  | -                                                                  | -                                                                  | -                                                                       |
| -                                                                       | -                                                                  | -                                                                  | -                                                                  | -                                                                       |
| -                                                                       | -                                                                  | -                                                                  | -                                                                  | -                                                                       |
| -                                                                       | -                                                                  | -                                                                  | -                                                                  | -                                                                       |
| -                                                                       | -                                                                  | -                                                                  | -                                                                  | -                                                                       |
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| 60.722                                                                  | -                                                                  | -                                                                  | -                                                                  | 60.722                                                                  |
| 91.715                                                                  | 22.000                                                             | -                                                                  | (22.000)                                                           | 91.715                                                                  |
| <div style="border-bottom: 1px solid black;">(81.155)</div>             | <div style="border-bottom: 1px solid black;">(22.000)</div>        | <div style="border-bottom: 1px solid black;">-</div>               | <div style="border-bottom: 1px solid black;">22.000</div>          | <div style="border-bottom: 1px solid black;">(81.155)</div>             |
| <div style="border-bottom: 1px solid black;"><div>\$ 71.282</div></div> | <div style="border-bottom: 1px solid black;"><div>\$ -</div></div> | <div style="border-bottom: 1px solid black;"><div>\$ -</div></div> | <div style="border-bottom: 1px solid black;"><div>\$ -</div></div> | <div style="border-bottom: 1px solid black;"><div>\$ 71.282</div></div> |

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