



GaryMcGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

Willamette View Foundation

Financial Statements and Other Information
as of and for the Year Ended December 31, 2022
and Report of Independent Accountants

WILLAMETTE VIEW FOUNDATION

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REPORT OF INDEPENDENT ACCOUNTANTS

*The Board of Directors
Willamette View Foundation:*

Opinion

We have audited the accompanying financial statements of the Willamette View Foundation, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Willamette View Foundation as of December 31, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Willamette View Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in note 3 to the financial statements, in 2022 the Foundation adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, as amended. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

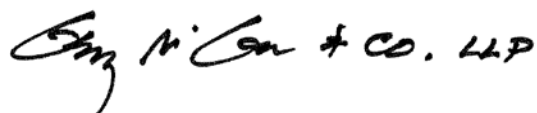
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule of changes in net assets by fund on pages 18 through 19 is 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Summarized Comparative Information

We have previously audited the Willamette View Foundation's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 30, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.



April 29, 2023

WILLAMETTE VIEW FOUNDATION
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022
(WITH COMPARATIVE AMOUNTS FOR 2021)

	2022	2021
Assets:		
Cash and cash equivalents	\$ 38,413	48,282
Contributions receivable	–	20,000
Prepaid expenses and other assets	50,454	50,153
Investments <i>(note 4)</i>	18,935,561	23,475,029
Investments of assets associated with charitable gift annuity agreements <i>(note 5)</i>	496,337	637,908
Assets held in charitable trust <i>(note 6)</i>	816,704	1,021,960
Right-of-use assets – operating leases <i>(note 12)</i>	90,030	–
Property and equipment <i>(note 7)</i>	–	–
Total assets	\$ 20,427,499	25,253,332
Liabilities:		
Accounts payable and accrued expenses	27,900	25,900
Lease liabilities – operating leases <i>(note 12)</i>	90,030	–
Liabilities associated with charitable gift annuity agreements <i>(note 5)</i>	154,506	174,576
Liabilities associated with charitable trust agreement <i>(note 6)</i>	624,724	786,710
Total liabilities	897,160	987,186
Net assets <i>(note 8)</i>:		
Without donor restrictions:		
Designated by the Board for the Resident Assistance Fund	14,987,184	18,125,964
Undesignated – General Fund	3,584,108	4,911,177
Total without donor restrictions	18,571,292	23,037,141
With donor restrictions:		
<i>Charitable gift annuities and trusts held for the benefit of the:</i>		
Willamette View Community Projects Fund	139,118	275,310
General Fund	191,977	235,247
Resident Assistance Fund	7,561	20,368
<i>Other restricted net assets:</i>		
Willamette View Community Projects Fund	36,586	–
Resident Assistance Fund	583,805	698,080
Total with donor restrictions	959,047	1,229,005
Total net assets	19,530,339	24,266,146
Commitments and contingencies <i>(notes 13 and 14)</i>		
Total liabilities and net assets	\$ 20,427,499	25,253,332

See accompanying notes to financial statements.

WILLAMETTE VIEW FOUNDATION

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022		Total	2021
	Without donor restrictions	With donor restrictions		
Revenues, gains, and other support:				
Contributions (<i>note 9</i>)	\$ 5,339	276	5,615	93,281
Net investment return	(4,034,460)	–	(4,034,460)	2,193,115
Net appreciation (decline) in the actuarial value of charitable trust and gift annuity agreements	–	(164,770)	(164,770)	66,425
Total revenues and gain	(4,029,121)	(164,494)	(4,193,615)	2,352,821
Net assets released from restrictions (<i>note 10</i>)	105,464	(105,464)	–	–
Total revenues, gains, and other support	(3,923,657)	(269,958)	(4,193,615)	2,352,821
Grants and expenses (<i>note 11</i>):				
Assistance to residents of Willamette View	114,551	–	114,551	161,856
Operating expenses	427,641	–	427,641	407,305
Total grants and expenses	542,192	–	542,192	569,161
Increase (decrease) in net assets	(4,465,849)	(269,958)	(4,735,807)	1,783,660
Net assets at beginning of year	23,037,141	1,229,005	24,266,146	22,482,486
Net assets at end of year	\$ 18,571,292	959,047	19,530,339	24,266,146

See accompanying notes to financial statements.

WILLAMETTE VIEW FOUNDATION

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022	2021
Cash flows from operating activities:		
Cash received from contributors and others	\$ 25,615	187,781
Cash payments made on behalf of Willamette View residents	(114,551)	(161,856)
Cash paid to employees and suppliers	(381,613)	(408,400)
Cash paid for amounts included in the measurement of operating lease liabilities	(44,329)	-
Net cash used in operating activities	(514,878)	(382,475)
Cash flows from investing activities:		
Proceeds from the sale of investments	607,153	452,960
Net cash provided by investing activities	607,153	452,960
Cash flows from financing activities:		
Distributions made under charitable trust and gift annuity agreements	(102,144)	(102,950)
Net cash used in financing activities	(102,144)	(102,950)
Net decrease in cash and cash equivalents	(9,869)	(32,465)
Cash and cash equivalents at beginning of year	48,282	80,747
Cash and cash equivalents at end of year	\$ 38,413	48,282

Supplemental disclosure of cash flow information:

Right-of-use assets obtained in exchange for new operating lease obligations	\$ 133,232	-
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See accompanying notes to financial statements.

WILLAMETTE VIEW FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

1. Organization

The Willamette View Foundation is a nonprofit corporation organized in 1967 in accordance with the laws of the State of Oregon and governed by a volunteer Board of Directors. The Foundation provides financial assistance and other support to residents of Willamette View, a Life Plan Community, also known as a Continuing Care Retirement Community, established in Portland, Oregon in 1955. Eligible residents of Willamette View may apply to the Foundation for assistance if their personal financial resources are no longer sufficient to pay their living expenses at Willamette View.

The Foundation also periodically makes grants to Willamette View, Inc. on a selective basis for projects that help satisfy the physical, emotional, recreational, social, religious, and health needs of residents. Finally, the Foundation provides financial management services to certain residents of Willamette View to assist them with many aspects of daily, monthly, and yearly tasks related to finances.

The funds to underwrite the Foundation's various services to residents are received through contributions from Willamette View residents, family members and friends, and investment return.

Independence of the Foundation

Although the Foundation's mission is to provide financial and other support to Willamette View residents, the Foundation and Willamette View, Inc. are independently governed and managed.

Fund Groups

The Foundation has established and administers four primary funds that receive donations to provide resident assistance, grants to Willamette View, Inc., and other donor-designated gifts in the following areas:

Resident Assistance Fund – Funds used to assist eligible residents who outlive their available financial resources or who otherwise no longer have the resources to fully meet their expenses at Willamette View due to illness or other unexpected events.

Willamette View Community Projects Fund – Funds available to be granted to Willamette View, Inc. for projects that the Foundation's Board of Directors determines are in the best interests of the entire Willamette View resident community.

Other Donor-Restricted Funds – Funds that have been restricted for specific purposes by individual donors.

General Fund – Funds that have no donor restrictions and can be used to fund the Foundation's general operating expenses and, as directed by the Board of Directors, to any other uses that are consistent with the Foundation's mission.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the Foundation are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Basis of Presentation – Net assets, revenues, gains and losses are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor-imposed stipulations. From time to time, the Board of Directors may designate a portion of these net assets for particular purposes and objectives.
- *Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time. These balances represent the unexpended portion of donor-restricted contributions and investment return to be used for specific programs and activities, as directed by the donor.

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

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the opinion of management, such differences, if any, would not be significant.

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the donor's commitment is received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions and grants received with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions.

Unconditional promises to give with payments due in future periods, are recorded as increases in net assets with donor restrictions at the estimated present value of future cash flows using credit adjusted discount rates which articulate to the collection period of the respective pledge. Such discount rates are not subsequently revised. Amortization of the discount is recorded as additional contribution revenue in subsequent years in the appropriate net asset class.

Contributions and grants receivable are reported net of an allowance for estimated uncollectible promises. Promises to give are written off when deemed uncollectible.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of operations, and changes in net assets, as net assets released from restrictions.

Contributions of capital assets without donor stipulations concerning the use of such long-lived assets are reported as revenues of the net assets without donor restrictions class. Contributions of cash or other assets to be used to acquire capital assets with such donor stipulations are reported as net assets with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets, in accordance with donor intent.

Outstanding Legacies – The Foundation is the beneficiary under various wills and trust agreements, the total realizable amounts of which are not presently determinable. The Foundation's share of such bequests are recorded when the proceeds are measurable and, with respect to wills, when the probate court has declared the testamentary instrument valid.

In-Kind Contributions – Under generally accepted accounting principles, significant services received which create or enhance a non-financial asset or require specialized skills that the Foundation would have purchased if not donated are recognized in the statement of activities. During the year ended December 31, 2022, no contributed services were recorded.

In-kind contributions of land, buildings, equipment, and other materials are recorded when there is an objective basis upon which to value these contributions and when the contributions are an essential part of the Foundation's activities. During the year ended December 31, 2022, no contributed land, buildings, equipment, or other materials were recorded.

Cash Equivalents – For purposes of the financial statements, the Foundation considers all liquid investments having initial maturities of three months or less to be cash. Only the balances held in the Foundation's operating accounts are reported as cash. Cash and cash equivalents held as part of the Foundation's investment portfolio, and where management's intention is to use the cash to acquire investments to be held long-term, are classified as investments.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at their fair value in the statement of financial position. Whenever available, quotations from organized securities exchanges are used as the basis for fair value. For investments not traded on organized exchanges, fair value estimates are provided by investment managers. For applicable investments, manager-reported net asset value ("NAV") is used as a practical expedient to estimate fair value. Valuations provided by fund managers consider variables such as the financial performance and sales of underlying investments and other pertinent information. The organization reviews valuations and assumptions provided by fund managers for reasonableness and believes that the carrying amounts of these financial instruments are reasonable estimates of fair value.

Net investment return, which includes both current yield (interest and dividend income) and net appreciation (decline) in the fair value of investments (both the realized gains or losses and the unrealized appreciation (decline) of those investments), is reported in the statement of activities, net of investment expenses. Interest income is accrued as earned. All security transactions are recorded on a trade date basis.

Right of Use Asset and Lease Liability – The Foundation recognizes a right-of-use asset and a lease liability, initially measured at the present value of the lease payments for operating leases not classified as short-term leases. The obligations associated with the leases are recognized as a liability based on the discounted future lease payments using the risk-free rate of return. Lease terms may include options to extend or terminate certain leases which are included in the lease valuation if it is reasonably certain that management will exercise the option. Lease expense for lease payments is recognized on a straight-line basis over the term of the lease.

Capital Assets and Depreciation – Property and equipment are carried at cost, and initially at fair value when acquired by gift. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which is generally three to five years for furniture and equipment. Leasehold improvements are amortized over the lesser of the term of the lease or remaining useful life of the improvements, which is generally three years.

Beneficial Interest in Trusts – The Foundation receives contributions of property in which the donor or donor-designated beneficiary may retain a life interest. The assets are invested and administered by the Foundation as trustee, and distributions are made to the beneficiaries during the term of the agreement. These funds are generally invested in a mix of investments. The Foundation records its interest in these trusts at fair value based on estimated future cash receipts. Subsequent adjustments to the assets' carrying value are reported in the accompanying statement of changes in net assets as "net appreciation (decline) in the actuarial value of charitable trust and gift annuity agreements."

Obligations Under Split-Interest Agreements – Obligations under split-interest agreements, including charitable remainder trusts and charitable gift annuities, are recorded when incurred at the present value of the distributions to be made to the donor-designated beneficiaries. Distributions are paid over the lives of the beneficiaries or another specified period. Present values are determined using discount rates established by the Internal Revenue Service and actuarially-determined expected lives. Obligations under split-interest agreements are revalued annually at December 31 to reflect actual experience; the discount rate is not changed. The net revaluations, together with any remaining recorded obligations after all trust or gift obligations under terminated agreements have been satisfied, are reported in the accompanying financial statements as "net appreciation (decline) in the actuarial value of charitable trust and gift annuity agreements."

Grants – Grants are made from available income and principal in accordance with restrictions imposed by donors and as approved by the Board of Directors. Grants are accrued when awarded and no longer conditional.

Income Taxes – The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law, and has been classified as a public charity as defined in Sections 170(b)(1)(A)(vi) and 509(a)(1).

Concentrations of Credit Risk – The Foundation's financial instruments consist primarily of cash equivalents, various mutual funds, and investments in private equity funds, which may subject the organization to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). In addition, the market value of securities is dependent on the ability of the issuer to honor its contractual commitments, and the investments are subject to changes in market values.

All checking and savings accounts, money market deposit accounts, and certificates of deposit are insured by the FDIC for up to \$250,000 for each depositor, for each insured bank, for each account ownership category.

Certain receivables also may, from time to time, subject the Foundation to concentrations of credit risk. To minimize its exposure to significant losses from customer or donor insolvencies, management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics. When necessary, receivables are reported net of an allowance for uncollectible accounts.

Subsequent Events – Subsequent events have been evaluated by management through April 29, 2023, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2021 – The accompanying financial information as of and for the year ended December 31, 2021 is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

Other Significant Accounting Policies – Other significant accounting policies are set forth in the financial statements and the following notes.

3. Recently-Adopted Accounting Standard

In February of 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which requires lessees to record a right-of-use (“ROU”) asset and a lease liability on the statement of financial position for all leases with a term longer than 12 months. On January 1, 2022, the Foundation adopted ASU No. 2016-02, as amended.

At the time of adoption, and in accordance with ASU 2016-02, the Foundation elected the package of practical expedients to not reassess: 1) whether any expired or existing contracts are or contain a lease, 2) lease classification for any expired or existing leases, and 3) whether previously capitalized initial direct costs would qualify for capitalization under Topic 842. The Foundation has also elected the short-term lease exemption policy which permits an organization to not recognize leases, at the commencement date, with a lease term of 12 months or less in its statement of financial position. The Foundation uses a risk-free rate at the time of adoption for discounting leases, and has elected not to separate lease and non-lease components in the calculation of the ROU assets and lease obligations. The Foundation also elected the practical expedient to use hindsight when determining lease term. As a result of this adoption, the Foundation recognized a right-of-use asset and an operating lease liability of \$133,232 as of January 1, 2022. There was no impact on the Foundation statement of activities.

4. Investments

The following summarizes the investments held by the Foundation at December 31, 2022:

<i>Exchange Traded Funds:</i>	
Short-term bond funds	\$ 2,839,424
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<i>Interest in Angeles Funds:</i>	
Global equity fund	10,902,091
Diversified income fund	4,218,705
Absolute return fund	906,297
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	16,027,093
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Cash sweep accounts	69,044
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	\$ 18,935,561
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Investment performance is reviewed on a quarterly basis by the Investment Committee of the Foundation’s Board of Directors.

5. Investments of Assets Associated with Charitable Gift Annuity Agreements

The Foundation held 6 charitable gift annuities at December 31, 2022. Under the terms of these gifts, the Foundation has agreed, in return for gifted assets, to make payments to gift beneficiaries for the balance of their lives. Upon the death of the beneficiary (and, in certain cases, the beneficiary’s spouse), the Foundation will receive the balance of the remaining assets.

At December 31, 2022, the Foundation held assets associated with these gift annuities, as follows:

Fixed income mutual funds:

Intermediate-bond fund	\$	144,179
Short-term bond fund		46,501
Multi-sector bond fund		21,267
Core bond fund		18,236
		<hr/>
		230,183

Equity mutual funds:

U.S. large blend		104,269
U.S. large growth		64,811
Emerging markets large blend		23,987
U.S. mid-cap index		31,096
U.S. small-cap index		23,179
World allocation large value		10,794
U.S. commodities		5,742
		<hr/>
		263,878

Cash sweep accounts		2,276
	\$	<hr/>
		496,337

The Foundation also recorded a liability for these charitable gift annuities, representing the present value of the estimated future payments to be made to the beneficiaries, using discount rates that range from 2.95% to 11.45%. The liability recorded at December 31, 2022 totaled \$154,506.

Section 731.038 of the Oregon Revised Statutes applies to all charitable organizations that issue charitable gift annuities. It requires that issuing organizations (1) have a minimum of \$300,000 in net assets, as shown by annual audited financial statements prepared by an independent certified public accountant; (2) have been in continuous operation for at least five years; and (3) maintain a separate and distinct trust fund as a reserve fund adequate to meet the future payments under all outstanding annuity agreements.

6. Assets Held in Charitable Trust

The Foundation is the trustee and the remainderman of a charitable remainder trust. The terms of the trust agreement require that the trust's current beneficiary be paid annually an amount equal to 5.0% of the fair value of the trust as of January 1 of each year. Upon the death of the beneficiary, 50% of the remaining assets will revert to the Foundation.

At December 31, 2022, charitable trust assets were held by the Foundation and invested as follows:

Fixed income mutual funds:

Core bond fund	\$	131,450
Intermediate-bond fund		138,623
Multi-sector bond fund		24,769
Short-term bond fund		84,240
		<hr/>
		379,082

Equity mutual funds:

U.S. large blend		156,685
U.S. mid-cap index		72,829
U.S. large growth		65,178
Emerging markets large blend		56,708
U.S. small-cap index		32,545
World allocation large value		18,705
U.S. commodities		18,263
Foreign large growth		5,662
		<hr/>
		426,575

Cash sweep and checking accounts		11,047
	\$	<hr/>
		816,704

The Foundation has recorded a liability associated with this trust totaling \$624,724 at December 31, 2022. Of this total, \$432,743 represents the actuarially-determined present value of the estimated future payments to be made to the beneficiary using a discount rate of 6.725%. The balance of \$191,981 represents the estimated present value of the remainder portion of the trust that is payable to another organization.

7. Property and Equipment

A summary of property and equipment at December 31, 2022 is as follows:

Furniture and equipment	\$ 39,830
Leasehold improvements	24,209
	<u>64,039</u>
Less accumulated depreciation	(64,039)
	<u>\$ —</u>

8. Net Asset Balances at December 31, 2022

At December 31, 2022, the Foundation's net assets were restricted by donors, designated by the Board, or undesignated, as follows:

Resident Assistance Fund	\$ 15,578,550
General Fund	3,776,085
Willamette View Community Projects Fund	175,704
	<u>\$ 19,530,339</u>

9. Contributions

Contributions for the year ended December 31, 2022 are summarized as follows:

<i>Contributions without donor restrictions:</i>	
Bequests and legacies	\$ 3,539
Contributions	1,800
	<u>5,339</u>
<i>Contributions with donor restrictions:</i>	
Contributions	276
	<u>276</u>
Total 2022 contributions	<u>\$ 5,615</u>

10. Net Assets Released from Restrictions

During the year ended December 31, 2022, the Foundation incurred \$105,464 in expenses in satisfaction of the restricted purposes specified by the donors, or by the occurrence of other events specified by donors.

11. Grants and Expenses

The costs of operating the Foundation and overseeing its general activities and programs are reported as operating expenses.

Certain categories of expenses are attributable to one or more program or supporting functions of the Foundation and, therefore, require allocation on a reasonable basis that is consistently applied. Those expenses include salaries and related expenses, insurance, occupancy, office expenses, and depreciation, which are allocated on the basis of estimates of time and effort.

Expenses on a functional basis for the year ended December 31, 2022 are summarized as follows:

	Program services	Manage- ment and general	Fund- raising	Total
Assistance to residents	\$ 114,551	—	—	114,551
Salaries and related expenses	227,166	41,566	7,981	276,713
Professional services	553	31,861	—	32,414
Insurance	33,534	6,136	1,178	40,848
Occupancy	38,513	7,047	1,353	46,913
Office expenses	16,182	2,961	569	19,712
Promotion	—	4,575	—	4,575
Other	—	6,466	—	6,466
	<u>315,948</u>	<u>100,612</u>	<u>11,081</u>	<u>427,641</u>
	<u>\$ 430,499</u>	<u>100,612</u>	<u>11,081</u>	<u>542,192</u>

12. Lease Commitments

The Foundation leases office space and certain office equipment under operating leases agreements that expire in December 2024 and January of 2025, respectively. Right-of-use assets and associated operating lease liabilities totaling \$90,030 have been recorded for these leases in accordance with Topic 842.

As of December 31, 2022, the weighted-average discount rate was 1.10%, and the remaining weighted average lease term was 2.02 years.

Future Lease Payments

At December 31, 2022, the Foundation's aggregate annual lease commitments under noncancelable operating leases with terms of one year or more are as follows:

<i>Years ending December 31,</i>	
2023	\$ 49,554
2024	50,489
2025	1,012
	<hr/>
	101,055
Less present value discount	(11,025)
	<hr/>
Total lease liability	\$ 90,030

Lease expense related to these operating leases totaled \$44,329 for the year ended December 31, 2022.

13. Retirement Plan

The Foundation provides all employees with a defined contribution retirement savings plan, as described under Section 401(k) of the Internal Revenue Code. Participating employees may make voluntary contributions to the plan on a pre-tax basis, up to the limits allowed by law, from the first day of the month following one year of employment. The Foundation makes an annual safe harbor contribution equal to 3% of the annual compensation of each eligible employee. Employees are fully vested in this contribution amount at all times. In addition, the Foundation makes an additional contribution of 2% of the annual compensation of each eligible employee. Employees vest in the 2% additional employer contribution at the rate of 20% annually, starting on the second year of service and are fully vested upon completion of the sixth year of service. Foundation contributions to the plan totaled \$11,243 for the year ended December 31, 2022.

14. Financial Management Services

Consistent with its charitable purposes, the Foundation also provides certain financial management services for qualified residents of Willamette View who request such services. These funds of the residents: (i) totaled \$5,334,294 as of December 31, 2022, (ii) constitute neither assets nor liabilities of the Foundation, and (iii) consequently, are not included in the accompanying financial statements.

15. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure within one year of the statement of financial position date comprise the following at December 31, 2022:

Cash and cash equivalents	\$ 38,413
Investments	18,935,561
	<hr/> 18,973,974
Less financial assets restricted, designated, or appropriated for investment purposes, and not available for expenditure	(17,620,561)
	<hr/> \$ 1,353,413

As part of its liquidity management, the Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In conjunction with this policy, and as a part of the annual budget process, each year the Board of Directors appropriates an amount of funds from the investment portfolio to meet the Foundation's cash needs in the coming year.

16. Fair Value Measurements

Included in the accompanying financial statements are certain financial instruments carried at fair value. These instruments include:

- Investments
- Investment of assets associated with gift annuities agreements
- Assets held in charitable trust

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale; similarly, the fair value of a liability is the amount at which the liability could be transferred in a current transaction between willing parties. Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality.

All financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined under generally accepted accounting principles. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). Investments valued using the net asset value practical expedient are excluded from the fair value hierarchy.

At December 31, 2022, the Foundation's financial assets that are included in the fair value hierarchy consist of investments (see notes 3, 4, and 5), which are measured at fair value on a recurring basis using quoted prices for identical assets (i.e., Level 1). At December 31, 2022, investments measured at fair value on a recurring basis were as follows:

<i>Investment included in the fair value hierarchy (notes 4, 5 and 6)</i>	
Fixed-income mutual funds	3,448,689
Equity mutual funds	690,453
	<hr/> 4,139,142
<i>Investments measured at net asset value (note 4):</i>	
Interest in Angeles Funds ¹	16,027,093
	<hr/>
Total investments at fair value	\$ 20,166,235

¹ The fair value of the Foundation's investment in Angeles Funds is based on the net asset value of the Foundation's ownership interest in the funds' capital, which includes assumptions and methods that are prepared by the general partners of the funds and were reviewed by the Foundation's management.

The following table provides additional information regarding the nature, characteristics, and risks of the investments measured at fair value using the net asset per share value at December 31, 2022:

	Redemption frequency	Redemption notice	Amount
Global equity Diversified	monthly	16 days	\$ 10,902,091
income	monthly	15 days	4,218,705
Absolute return	quarterly	90 days	906,297
			\$ 16,027,093

There were no outstanding commitments to these funds at December 31, 2022.

17. Subsequent Events

Subsequent to year-end, the Foundation's Board of Directors approved the "2023 Inflation Offset Grant" program effective January 3, 2023 to provide assistance to Willamette View residents most impacted by increasing costs. The program will make \$5,000 grants to Willamette View residents in Independent or Assisted Living, and \$10,000 to Willamette View residents in the Health Center that have a net worth, excluding personal property of \$400,000 or less (\$800,000 or less for couples). As of March 31, 2023, a total of \$380,000 of such grants were approved and paid.

18. Statement of Cash Flows Reconciliation

The following presents a reconciliation of the decrease in net assets (as reported on the statement of changes in net assets) to net cash used in operating activities (as reported on the statement of cash flows):

Decrease in net assets	\$ (4,735,807)
<i>Adjustments to reconcile decrease in net assets to net cash used in operating activities:</i>	
<i>Net decline in the fair value of investments</i>	
Net decline in the fair value of investments	4,034,460
<i>Net decrease in the actuarial value of charitable trust and gift annuity agreements</i>	
Net decrease in the actuarial value of charitable trust and gift annuity agreements	164,770
<i>Net changes in:</i>	
Contributions receivable	20,000
Prepaid expenses and other assets	(301)
Right-of-use assets – operating leases	(90,030)
Accounts payable and accrued expenses	2,000
Lease liabilities – operating leases	90,030
Total adjustments	4,220,929
Net cash used in operating activities	\$ (514,878)

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WILLAMETTE VIEW FOUNDATION
SCHEDULE OF CHANGES IN NET ASSETS BY FUND
YEAR ENDED DECEMBER 31, 2022

	Without donor restrictions			With donor restrictions							Total all funds
				Restricted by donors		Charitable trust and gift annuity agreements			Total with donor restrictions		
	Undesignated General Fund	Designated by Board for Resident Assistance Fund	Total without donor restrictions	Resident Assistance Fund	Willamette View Community Projects Fund	General Fund	Resident Assistance Fund	Willamette View Community Projects Fund			
Net assets at January 1, 2022	\$ 4,911,177	18,125,964	23,037,141	698,080	–	235,247	20,368	275,310	1,229,005	24,266,146	
Revenues:											
Contributions	5,339	–	5,339	276	–	–	–	–	276	5,615	
Net investment return	(904,767)	(3,129,693)	(4,034,460)	–	–	–	–	–	–	(4,034,460)	
Net decline in the actuarial value of charitable trust and gift annuity agreements	–	–	–	–	–	(43,270)	(21,894)	(99,606)	(164,770)	(164,770)	
Total revenues and gains	(899,428)	(3,129,693)	(4,029,121)	276	–	(43,270)	(21,894)	(99,606)	(164,494)	(4,193,615)	
Net transfer upon termination of charitable gift annuities	–	(9,087)	(9,087)	–	36,586	–	9,087	(36,586)	9,087	–	
Total revenues, gains, and other support	(899,428)	(3,138,780)	(4,038,208)	276	36,586	(43,270)	(12,807)	(136,192)	(155,407)	(4,193,615)	
Expenses:											
Assistance to residents, grants and other distributions	–	–	–	(114,551)	–	–	–	–	(114,551)	(114,551)	
Operating expenses	(427,641)	–	(427,641)	–	–	–	–	–	–	(427,641)	
Total expenses	(427,641)	–	(427,641)	(114,551)	–	–	–	–	(114,551)	(542,192)	
Increase (decrease) in net assets	(1,327,069)	(3,138,780)	(4,465,849)	(114,275)	36,586	(43,270)	(12,807)	(136,192)	(269,958)	(4,735,807)	
Net assets at December 31, 2022	\$ 3,584,108	14,987,184	18,571,292	583,805	36,586	191,977	7,561	139,118	959,047	19,530,339	

WILLAMETTE VIEW FOUNDATION

GOVERNING BOARD, MANAGEMENT, AND ADVISORS

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Mike Gallagher, *Vice-President*

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Carol Cameron

Greg Dufault

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Greg Dufault

Dennis Braun

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EXECUTIVE MANAGEMENT

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Senior Vice President

Investment Officer

Wells Fargo Advisors

Aaron Azelton

Managing Director, Partner

Angeles Investments

INDEPENDENT ACCOUNTANTS

Gary McGee & Co. LLP

WILLAMETTE VIEW FOUNDATION
INQUIRIES AND OTHER INFORMATION

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