

**FOREST SERVICE EMPLOYEES FOR
ENVIRONMENTAL ETHICS, INC.**

FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024



FOREST SERVICE EMPLOYEES FOR ENVIRONMENTAL ETHICS, INC.
FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Forest Service Employees for Environmental Ethics, Inc.
Eugene, Oregon

Opinion

We have audited the accompanying financial statements of Forest Service Employees for Environmental Ethics, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Forest Service Employees for Environmental Ethics, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Forest Service Employees for Environmental Ethics, Inc.'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 Forest Service Employees for Environmental Ethics, Inc.'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 Forest Service Employees for Environmental Ethics, Inc.'s ability to continue as a going concern for a reasonable period of time.

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



Jones & Roth, P.C.
Eugene, Oregon
April 10, 2026

FINANCIAL STATEMENTS

FOREST SERVICE EMPLOYEES FOR ENVIRONMENTAL ETHICS, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 432,821	\$ 412,960
Promises to give receivable	21,368	22,583
Prepaid expenses	<u>1,899</u>	<u>2,048</u>
Total current assets	<u>456,088</u>	<u>437,591</u>
Property and equipment		
Equipment and furnishings	7,943	12,295
Accumulated depreciation	<u>(6,863)</u>	<u>(9,054)</u>
Property and equipment, net	<u>1,080</u>	<u>3,241</u>
Other assets		
Restricted cash equivalents - litigation fund	175,073	168,875
Deposits	1,000	1,000
Endowment fund investment	<u>1,290</u>	<u>1,243</u>
Total other assets	<u>177,363</u>	<u>171,118</u>
Total assets	<u><u>\$ 634,531</u></u>	<u><u>\$ 611,950</u></u>

	<u>2025</u>	<u>2024</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 324	\$ 249
Accrued payroll taxes and withholdings	306	1,831
Accrued vacation payable	<u>8,993</u>	<u>16,500</u>
Total liabilities	<u>9,623</u>	<u>18,580</u>
Net assets		
Without donor restrictions	<u>434,649</u>	<u>423,495</u>
With donor restrictions:		
Restricted by purpose or time	189,259	168,875
Restricted in perpetuity	<u>1,000</u>	<u>1,000</u>
Total net assets with donor restrictions	<u>190,259</u>	<u>169,875</u>
Total net assets	<u>624,908</u>	<u>593,370</u>
Total liabilities and net assets	<u>\$ 634,531</u>	<u>\$ 611,950</u>

The accompanying notes are an integral part of these statements.

FOREST SERVICE EMPLOYEES FOR ENVIRONMENTAL ETHICS, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support			
Contributions	\$ 433,723	\$ -	\$ 433,723
Grants	35,000	25,000	60,000
Bequests	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Total support	475,723	25,000	500,723
Other revenue			
Loss on asset disposal	(2,074)	-	(2,074)
Investment revenue	<u>9,393</u>	<u>6,971</u>	<u>16,364</u>
Total support and other revenue	483,042	31,971	515,013
Net assets released from restrictions			
Satisfaction of program restrictions	<u>11,587</u>	<u>(11,587)</u>	<u>-</u>
Total support and revenue	<u>494,629</u>	<u>20,384</u>	<u>515,013</u>
Expenses			
Program services:			
Education and forest protection program	302,176	-	302,176
Membership services	<u>53,000</u>	<u>-</u>	<u>53,000</u>
Total program services	<u>355,176</u>	<u>-</u>	<u>355,176</u>
Support services:			
General and administrative	102,629	-	102,629
Fundraising	<u>25,670</u>	<u>-</u>	<u>25,670</u>
Total support services	<u>128,299</u>	<u>-</u>	<u>128,299</u>
Total expenses	<u>483,475</u>	<u>-</u>	<u>483,475</u>
Change in net assets	11,154	20,384	31,538
Net assets, beginning of year	<u>423,495</u>	<u>169,875</u>	<u>593,370</u>
Net assets, end of year	<u>\$ 434,649</u>	<u>\$ 190,259</u>	<u>\$ 624,908</u>

The accompanying notes are an integral part of these statements.

FOREST SERVICE EMPLOYEES FOR ENVIRONMENTAL ETHICS, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support			
Contributions	\$ 333,423	\$ 1,725	\$ 335,148
Grants	<u>100,726</u>	<u>-</u>	<u>100,726</u>
Total support	434,149	1,725	435,874
Other revenue			
Investment revenue	<u>9,275</u>	<u>8,970</u>	<u>18,245</u>
Total support and other revenue	443,424	10,695	454,119
Net assets released from restrictions			
Satisfaction of program restrictions	<u>48,549</u>	<u>(48,549)</u>	<u>-</u>
Total support and revenue	<u>491,973</u>	<u>(37,854)</u>	<u>454,119</u>
Expenses			
Program services:			
Education and forest protection program	274,892	-	274,892
Membership services	<u>92,822</u>	<u>-</u>	<u>92,822</u>
Total program services	<u>367,714</u>	<u>-</u>	<u>367,714</u>
Support services:			
General and administrative	99,922	-	99,922
Fundraising	<u>40,500</u>	<u>-</u>	<u>40,500</u>
Total support services	<u>140,422</u>	<u>-</u>	<u>140,422</u>
Total expenses	<u>508,136</u>	<u>-</u>	<u>508,136</u>
Change in net assets	(16,163)	(37,854)	(54,017)
Net assets, beginning of year, restated	<u>439,658</u>	<u>207,729</u>	<u>647,387</u>
Net assets, end of year	<u>\$ 423,495</u>	<u>\$ 169,875</u>	<u>\$ 593,370</u>

The accompanying notes are an integral part of these statements.

FOREST SERVICE EMPLOYEES FOR ENVIRONMENTAL ETHICS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025

	Education and		Membership	Total		General and	Fundraising	Total
	Forest Protection	Program		Program	Administrative			
	Program	Services	Services	Services	Administrative	Fundraising		
Wages	\$ 127,049	\$ 21,563	\$ 148,612	\$ 60,022	\$ 10,238	\$ 218,872		
Payroll taxes	13,496	2,486	15,982	6,089	854	22,925		
Employee benefits	29,138	1,860	30,998	6,941	643	38,582		
Professional services	70,801	166	70,967	15,817	-	86,784		
Depreciation	-	-	-	1,306	-	1,306		
Fees and licenses	934	3,480	4,414	2,762	1,524	8,700		
Insurance	1,869	328	2,197	634	159	2,990		
Mailing	11,733	10,227	21,960	22	1,589	23,571		
Maintenance	-	-	-	597	-	597		
Meetings	7,781	-	7,781	-	-	7,781		
Printing and production	17,589	10,570	28,159	-	9,594	37,753		
Rent and utilities	8,558	1,501	10,059	2,906	727	13,692		
Supplies	4,070	114	4,184	4,168	-	8,352		
Telephone	4,021	705	4,726	1,365	342	6,433		
Travel	5,137	-	5,137	-	-	5,137		
Total functional expenses	\$ 302,176	\$ 53,000	\$ 355,176	\$ 102,629	\$ 25,670	\$ 483,475		

The accompanying notes are an integral part of these statements.

FOREST SERVICE EMPLOYEES FOR ENVIRONMENTAL ETHICS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

	Education and Forest Protection Program	Membership Services	Total Program Services	General and Administrative	Fundraising	Total
Wages	\$ 111,596	\$ 49,106	\$ 160,702	\$ 56,860	\$ 18,636	\$ 236,198
Payroll taxes	11,467	4,981	16,448	6,613	1,667	24,728
Employee benefits	26,710	7,503	34,213	7,564	2,589	44,366
Professional services	68,825	1,008	69,833	14,708	-	84,541
Depreciation	-	-	-	497	-	497
Fees and licenses	522	3,200	3,722	3,081	1,915	8,718
Insurance	1,348	457	1,805	495	202	2,502
Mailing	13,632	9,999	23,631	1,271	3,097	27,999
Meetings	6,039	-	6,039	-	-	6,039
Printing and production	14,617	12,375	26,992	-	10,838	37,830
Rent and utilities	7,248	2,460	9,708	2,658	1,088	13,454
Supplies	4,423	674	5,097	5,031	-	10,128
Telephone	3,121	1,059	4,180	1,144	468	5,792
Travel	5,344	-	5,344	-	-	5,344
Total functional expenses	\$ 274,892	\$ 92,822	\$ 367,714	\$ 99,922	\$ 40,500	\$ 508,136

The accompanying notes are an integral part of these statements.

FOREST SERVICE EMPLOYEES FOR ENVIRONMENTAL ETHICS, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 31,538	\$ (54,017)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Loss on asset disposal	2,074	-
Depreciation	1,306	497
(Increase) decrease in operating assets:		
Promises to give receivable	1,215	(8,158)
Prepaid expenses	149	(79)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	75	202
Accrued payroll taxes and withholdings	(1,525)	(966)
Accrued vacation payable	(7,507)	(2,231)
	<u>27,325</u>	<u>(64,752)</u>
Net cash provided (used) by operating activities		
Cash flows from investing activities		
Purchase of equipment	(1,219)	(2,568)
Reinvested dividends on endowment fund investment	(47)	(44)
	<u>(1,266)</u>	<u>(2,612)</u>
Net cash used by investing activities		
Increase (decrease) in cash and cash equivalents, and restricted cash equivalents	26,059	(67,364)
Cash and cash equivalents, and restricted cash equivalents, beginning of year	<u>581,835</u>	<u>649,199</u>
Cash and cash equivalents, and restricted cash equivalents, end of year	<u>\$ 607,894</u>	<u>\$ 581,835</u>
Supplemental disclosure of noncash transactions		
Donation of stock (immediately sold)	<u>\$ 6,002</u>	<u>\$ 6,125</u>

The accompanying notes are an integral part of these statements.

FOREST SERVICE EMPLOYEES FOR ENVIRONMENTAL ETHICS, INC.
NOTES TO FINANCIAL STATEMENTS

1. Nature of Activities

The mission of Forest Service Employees for Environmental Ethics, Inc. (FSEEE) is to protect national forests and to reform the U.S. Forest Service by advocating environmental ethics, educating citizens, and defending whistleblowers.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. Net assets, revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of FSEEE and changes therein are classified as net assets without donor restrictions and net assets with donor restrictions.

Revenues are reported as an increase in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets are 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 restrictions on the net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Use of Estimates

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

Income Tax Status

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

Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. Cash and cash equivalents include savings and checking accounts and money market funds.

FOREST SERVICE EMPLOYEES FOR ENVIRONMENTAL ETHICS, INC.
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Restricted Cash Equivalents - Litigation Fund

During the year ended December 31, 2013, FSEEE received a donation with the restricted purpose of establishing a reserve fund that is to be used to reimburse FSEEE for litigation costs incurred when proceeding with environmental litigation projects. Earnings on the fund are also considered net assets with donor restrictions for the same purpose. The fund is owned by FSEEE; however, the fund is to be held by a designated third party for investment. The fund is invested in a brokerage money market account which is considered a cash equivalent. FSEEE may request distributions from the fund for eligible costs related to project litigation.

The following table provides a reconciliation of cash and cash equivalents, and restricted cash equivalents reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 432,821	\$ 412,960
Restricted cash equivalents - litigation fund	<u>175,073</u>	<u>168,875</u>
Total cash and cash equivalents, and restricted cash equivalents	<u>\$ 607,894</u>	<u>\$ 581,835</u>

Property and Equipment

Depreciation of property and equipment is provided over the estimated useful lives of the respective assets using the straight-line method. Donated equipment is recorded at its fair market value at the date of the donation. Purchased equipment is recorded at cost. FSEEE does not use a dollar threshold as a capitalization policy, but rather looks at the useful life to determine capitalization.

Revenue Recognition and Promises to Give

Support revenue including contributions, grants, bequests and unconditional promises to give, is recognized as revenue when the support is promised or payment made and is recorded as support that is either with or without donor restrictions. Classification is based on the existence and nature of any donor restrictions imposed on the contribution. Support that is restricted by the donor is reported as restricted revenues and is released to net assets without donor restrictions when the restriction is met. Unconditional promises expected to be collected in future years are recorded at the present value of expected future cash flows discounted at an appropriate discount rate commensurate with the risks involved. Management believes all amounts are fully collectible and has not established an allowance.

FOREST SERVICE EMPLOYEES FOR ENVIRONMENTAL ETHICS, INC.
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Non-Cash Donations

Donated Goods - Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation. Equities with a value of \$6,002 and \$6,125 were recorded as unrestricted contributions during the years ended December 31, 2025 and 2024, respectively. It is the policy of FSEEE to convert donated equities to cash as soon as practicable after acquisition.

Donated Services - No amounts have been reflected in the financial statements for donated services, other than services requiring specific expertise or which create or enhance non-financial assets. Donations of services requiring specific expertise or that create or enhance non-financial assets are recorded as in-kind contributions at their estimated fair value at the date of donation. Such donations are reported as unrestricted contributions. There were no donated services that met the criteria for recognition for the years ended December 31, 2025 and 2024.

Expense Allocation

FSEEE allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on actual direct expenses as a percentage of total expenses.

Liquidity and Availability of Resources

FSEEE receives the majority of its support from individual donors. The majority of support received is without donor restriction, with the remaining support earmarked by donors for specific programs. The policy set by the Board of Directors is to have all of FSEEE's cash assets available at all times.

At December 31, 2025 and 2024, FSEEE's financial assets available for general expenditures within one year are comprised of the following:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 432,821	\$ 412,960
Promises to give receivable	<u>21,368</u>	<u>22,583</u>
Current financial assets	454,189	435,543
Less: amounts with donor restrictions	<u>(14,186)</u>	<u>-</u>
Current financial assets available for general expenditure	<u>\$ 440,003</u>	<u>\$ 435,543</u>

FOREST SERVICE EMPLOYEES FOR ENVIRONMENTAL ETHICS, INC.
NOTES TO FINANCIAL STATEMENTS

3. Lease Commitment

FSEEE had an operating lease for a space located in Eugene, Oregon. The last renewal extended the lease term to February 28, 2023. The lease called for monthly payments of \$1,000, which increased to \$1,050 in March 2022. After the lease term ended, the lease moved to a month-to-month basis and is cancellable by either party with 60 days' notice. The lease falls under the short-term lease exception (based on election made by FSEEE); therefore, there is no reported right-of-use lease assets or lease liabilities. Rental expense for operating leases for the years ended December 31, 2025 and 2024, was \$13,692 and \$13,454 respectively.

4. Concentration of Deposit Risk

FSEEE maintains its cash and cash equivalent balances in three financial institutions. A portion of these deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. Balances may periodically exceed FDIC insured limits. Deposits in excess of FDIC insurance limits at December 31, 2025 and 2024 were \$9,136 and \$876, respectively. Management believes FSEEE is not exposed to any significant risk related to uninsured cash and cash equivalents.

5. Accrued Vacation Payable

Vacation pay is charged to expense when earned. At December 31, 2025 and 2024, accrued vacation payable was \$8,993 and \$16,500, respectively.

6. Net Assets With Donor Restrictions

At December 31, net assets with donor restrictions were available for the following purposes or periods:

	2025	2024
Grants and donations (purpose restricted)	\$ 14,186	\$ -
Restricted litigation fund (purpose restricted)	175,073	168,875
Perpetual endowment	1,000	1,000
Total net assets with donor restrictions	\$ 190,259	\$ 169,875

At December 31, 2025 and 2024, net assets with donor restrictions includes an endowment fund that was established December 24, 2004 in the amount of \$1,000. The income from the endowment fund assets can be used to support FSEEE's general activities.

FOREST SERVICE EMPLOYEES FOR ENVIRONMENTAL ETHICS, INC.
NOTES TO FINANCIAL STATEMENTS

7. 403(b) Retirement Plan

FSEEE has a 403(b) retirement plan covering all employees on the first month of employment. Employees may elect to contribute an amount determined by the plan's contribution formula. In July 2002, FSEEE began providing a matching contribution to the employee's contributions up to a maximum FSEEE contribution of 5 percent of the employee's salary. The contribution amount was increased to 6 percent of the employee's salary effective September 2019. For the years ended December 31, 2025 and 2024, it was determined FSEEE would provide a matching contribution to employees. The total contribution for the years ended December 31, 2025 and 2024, was \$13,583 and \$14,306, respectively, and is included in employee benefits.

Under the 403(b) plan, contributions are made directly to participants' individual accounts. After the funds have been distributed to these accounts, FSEEE has no fiduciary responsibility or control over the accounts.

8. Concentrations

For the year ended December 31, 2025, approximately 12 percent of FSEEE's total support revenue was from two grantors. For the year ended December 31, 2024, approximately 21 percent of FSEEE's total support revenue was from two grantors.

9. Subsequent Events

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