DOGWOOD ALLIANCE, INC.

INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

CORLISS & SOLOMON PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Dogwood Alliance, Inc.

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CORLISS & SOLOMON
PLLC

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Dogwood Alliance, Inc.
Asheville, North Carolina

Opinion

We have audited the accompanying financial statements of Dogwood Alliance, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related disclosures to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dogwood Alliance, Inc. as December 31, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dogwood Alliance, Inc. 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.

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 Dogwood Alliance, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 Dogwood Alliance, 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 Dogwood Alliance, 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.

Report on Summarized Comparative Information

We have previously audited Dogwood Alliance, Inc.'s 2023 financial statements, and our report dated May 15, 2024, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Carliss & Solomon, PLLC

Asheville, North Carolina
September 23, 2025

Dogwood Alliance, Inc.

Statement of Financial Position

As of December 31, 2024

(With summarized comparative totals as of December 31, 2023)

	2024	2023
Assets		
Current Assets		
Cash and Cash Equivalents	$ 3,113,394	$ 4,859,959
Investments	1,048,981	-
Contributions Receivable	1,508,375	130
Grants Receivable	200,000	50,000
Prepaid Expenses	3,607	-
Total Current Assets	**$ 5,874,357**	**$ 4,910,089**
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	$ 49,727	$ 45,181
Accrued Salaries	66,881	52,242
Payroll Tax and Benefit Liabilities	17,360	10,155
Total Current Liabilities	133,968	107,578
Net Assets		
Without Donor Restrictions	3,710,687	4,503,459
With Donor Restrictions	2,029,702	299,052
Total Net Assets	5,740,389	4,802,511
Total Liabilities and Net Assets	**$ 5,874,357**	**$ 4,910,089**

The accompanying disclosures are an integral part of these financial statements.

Dogwood Alliance, Inc.

Statement of Activities

Year Ended December 31, 2024

(With summarized comparative totals from the prior year)

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Total 2023
Support				
Grants	$ 895,000	$ 779,809	$ 1,674,809	$ 758,305
Contributions	339,123	1,655,847	1,994,970	1,893,394
Interest Income	195,077	-	195,077	97,439
In-Kind Contributions	1,402	-	1,402	367
Net Assets Released from Restrictions				
By Expiration of Time	100,323	(100,323)	-	-
By Expenditure	604,683	(604,683)	-	-
Total Support	**2,135,608**	**1,730,650**	**3,866,258**	**2,749,505**
Expenses				
Program Services	2,231,073	-	2,231,073	1,883,019
Management and General	500,206	-	500,206	393,370
Fundraising	197,101	-	197,101	231,373
Total Expenses	**2,928,380**	**-**	**2,928,380**	**2,507,762**
Change in Net Assets	(792,772)	1,730,650	937,878	241,743
Net Assets Beginning of Year	4,503,459	299,052	4,802,511	4,560,768
Net Assets at End of Year	**$ 3,710,687**	**$ 2,029,702**	**$ 5,740,389**	**$ 4,802,511**

The accompanying disclosures are an integral part of these financial statements.

Dogwood Alliance, Inc.

Statement of Functional Expenses

Year Ended December 31, 2024

(With summarized comparative totals from the prior year)

	Program Services	Management and General	Fundraising	Total 2024	Total 2023
Personnel Expenses					
Salaries	$ 1,071,606	$ 295,717	$ 121,301	$ 1,488,624	$ 1,282,748
Payroll Taxes	79,243	22,753	9,222	111,218	99,156
Retirement Plan	20,286	4,061	2,408	26,755	24,784
Health Insurance and HSA	145,811	34,542	17,752	198,105	176,351
Total Personnel	1,316,946	357,073	150,683	1,824,702	1,583,039
Marketing	63,824	3,068	6,602	73,494	33,284
Research and Consulting	174,828	-	12,500	187,328	77,480
Events	15,333	-	1,412	16,745	55,572
Supplies and Production	15,393	55	2,847	18,295	14,752
Professional Services	200,668	114,031	2,686	317,385	264,818
Meetings	21,693	6,310	2,663	30,666	32,573
Maintenance	26,933	3,645	2,151	32,729	38,307
Rent	6,285	1,331	753	8,369	8,028
Dues and Subscriptions	7,883	475	119	8,477	11,558
Other Expenses	7,251	1,005	4,300	12,556	14,442
Insurance	11,325	2,290	1,351	14,966	15,504
IT Hardware and Software	20,842	5,059	1,859	27,760	39,784
Office Supplies and Postage	2,472	1,537	4,784	8,793	14,273
Travel	74,235	4,327	2,391	80,953	93,348
Subtotal Expenses	1,965,911	500,206	197,101	2,663,218	2,296,762
Grant Disbursements	265,162	-	-	265,162	211,000
Total Expenses	**$ 2,231,073**	**$ 500,206**	**$ 197,101**	**$ 2,928,380**	**$ 2,507,762**

The accompanying disclosures are an integral part of these financial statements.

Dogwood Alliance, Inc.

Statement of Cash Flows

Year Ended December 31, 2024

(With summarized comparative totals from the prior year)

	2024	2023
Cash Flows from Operating Activities		
Change in Net Assets	$ 937,878	$ 241,743
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities		
Interest Earned on Investments	(48,981)	-
(Increase)/Decrease in Operating Assets		
Grants Receivable	(150,000)	-
Contributions Receivable	(1,508,245)	1,302,910
Prepaid Expenses	(3,607)	-
Increase/(Decrease) in Operating Liabilities		
Accounts Payable	4,546	(26,662)
Accrued Salaries	14,639	943
Payroll Tax and Benefit Liabilities	7,205	70
Net Cash Provided/(Used) by Operating Activities	(746,565)	1,519,004
Cash Flows from Investing Activities		
Purchases of Investments	(1,000,000)	-
Net Cash Used by Investing Activities	(1,000,000)	-
Net Change in Cash and Cash Equivalents	(1,746,565)	1,519,004
Cash and Cash Equivalents at Beginning of Year	4,859,959	3,340,955
Cash and Cash Equivalents at End of Year	**$ 3,113,394**	**$ 4,859,959**

The accompanying disclosures are an integral part of these financial statements.

Dogwood Alliance, Inc.

Disclosures to the Financial Statements

Year Ended December 31, 2024

1. ***Description of the Organization, Corporate and Tax-Exempt Status***

Dogwood Alliance, Inc. (Dogwood) is a non-profit, charitable organization. Its mission is "To advance environmental justice and climate action by mobilizing diverse voices to protect southern forests and communities from industrial logging. The three programs in place to achieve the mission are as follows:

> ***Campaigns -*** The campaign program area focuses on Dogwood Alliance efforts at the federal and international levels. Campaigns work toward increased federal government oversight and regulation of existing wood pellet production facilities, challenges to federal subsidies for the industrial logging industry, and increasing support for policies that advance forest protection as a natural solution in environmental justice communities.
>
> At the international level, our campaign seeks to push European Union member states to begin a phase-out of biomass subsidies, disrupting the growth of the wood pellet export market.
>
> ***Organizing -*** The organizing program area focuses on advancing programmatic priorities at the state and local levels. The organizing program area is focused on expanding political power at the state and local level across priority states through coordinating a regional network of front-line community partners and leaders across the southern Coastal Plain and increasing their access to resources. This Regional Network is working to stop threats and advance a vision for forest protection and healthy, thriving communities. The organizing program area partners with communities through outreach/education events, campaign actions, relationship building, community grant programs, coalition development, and organizer training.
>
> ***Conservation -*** The conservation program area focuses on establishing community forests within communities impacted by industrial logging and climate change in the US South. The conservation program area develops partnerships with communities, tribes, funders, and additional allies to secure land purchases and implement a community conservation model. Conservation also directs Dogwood Alliances participation in coalitions that advance conservation efforts and policies at the state and federal levels.

The organization was incorporated in 1998 as a not-for-profit corporation under the laws of the state of North Carolina and has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code in July 1999. Contributions to the organization qualify for the charitable contribution deduction under Section 170(b)(1)(a). The organization is classified as a publicly supported organization under Section 509(a)(1). The organization receives its support principally through contributions and grants.

2. ***Summary of Significant Accounting Policies***

Basis of Accounting

The financial statements have been prepared on an accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (U.S. GAAP), as applicable to not-for-profit organizations.

Financial Statement Presentation
The classification of the organization’s net assets, and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets – without donor restrictions and with donor restrictions – be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

The classes of net assets are defined as follows:

Net Assets Without Donor Restrictions – Includes net assets that are not subject to donor-imposed restrictions and that may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the organization’s management and board of directors.

Net Assets With Donor Restrictions - Includes net assets that are subject to restrictions imposed by donors or grantors. Some donor and grantor restrictions are temporary in nature, such as those with a specified purpose or a timeframe for expenditure established by the donor or grantor. Other donor-imposed restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents
The organization’s cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

Concentration of Credit Risk
Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of cash and cash equivalents. The organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed FDIC federally insured limits. The organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Investments
The organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income and realized and unrealized capital gains and losses, net of investment expenses.

Contributions and Grants Receivable
Contributions and grants receivable, without conditions, and expected to be collected within one year are recorded at net realizable value; those expected to be collected in more than one year are recorded at the present value of their future cash flows, using a risk adjusted interest rate. Any provision for uncollectible receivables is estimated by management based on historical collection experience.

Contributions and Grants
Contributions and grants are recognized in support: (1) when the organization receives cash, securities or other assets from a donor or grantor, (2) when a donor conveys a promise to make a donation in the future, on an unconditional basis, and (3) when a grantor awards a grant to be paid in the future, on an unconditional basis. Contributions and grants with conditions, such as performance requirements, are not recognized until the conditions on which they depend have been substantially met.

In-Kind Contributions
The organization recognizes contributed goods and the use of facilities at estimated fair value on the date of receipt. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. When recognized, contributed services are reported at fair value.

Use of Estimates
The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Functional Allocation of Expenses
The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain categories of expenses that are attributable to more than one program or supporting function require management's allocation on a reasonable basis that is consistently applied. The primary allocation basis used by management for personnel expenses and applicable overhead expenses is estimated based on employee time and effort.

Income Taxes/Uncertain Tax Positions
Dogwood Alliance is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. Under the Code, however, income from certain activities not related to the organization's tax-exempt purpose may be subject to taxation as unrelated business income. The organization had no income from unrelated business activities in 2024 and was, therefore, not required to file Federal Form 990-T (Exempt Organization Business Income Tax Return). The organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Summarized Comparative Data
The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the organization's audited financial statements for the year ended December 31, 2023, from which the summarized information was derived. Certain amounts in the prior-year financial statements have been reclassified to conform to the current year presentation.

3. *Liquidity and Availability*
Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

As of December 31:	2024	2023
Financial Assets at year end:		
Cash and Cash Equivalents	$ 3,113,394	$ 4,859,959
Investments	1,048,981	-
Contributions Receivable	1,558,375	130
Grants Receivable	150,000	50,000
Total Financial Assets available for general expenditures over the following year	$ 5,870,750	$ 4,910,089

4. *Cash and Cash Equivalents*

Cash and cash equivalent amounts are shown in the list below.

As of December 31:	2024	2023
Checking Account	$ 113,383	$ 143,308
Money Market Accounts	2,986,011	4,698,326
Undeposited Funds	14,000	18,325
Total Cash and Cash Equivalents	$ 3,113,394	$ 4,859,959

As of December 31, 2024, the organization exceeded the FDIC threshold of $250,000 at five institutions by a total of $2,900,671. The organization believes it is not exposed to significant credit risks on its cash balances.

5. *Investments*

The investments balance consists of four certificates of deposit held by multiple banks, totaling $1,048,981 as of December 31, 2024. The terms for these certificates of deposit are for twelve months, and interest rates range between 4.25% and 5.42%.

6. *Contributions Receivable*

The contributions receivable balance of $1,558,375 as of December 31, 2024, consists mainly of one pledge from an individual in the amount of $1,500,000. The pledge is time-restricted to use in 2025 and is therefore included in net assets with donor restrictions as of December 31, 2024. Dogwood received payment on the pledge in January 2025. The remaining balance consists of various smaller amounts that are believed to be fully collectible within one year. Accordingly, no allowance account or discount to present value has been established for contributions receivable.

7. *Grants Receivable*

The December 31, 2024, grants receivable balance is comprised of two grants in the amount of $200,000. The grant is time-restricted for use in 2025 and 2026. Dogwood received payment on the receivable in early 2025. Accordingly, no allowance account or discount to present value has been established.

8. *Net Assets With Donor Restrictions*

Net assets with donor restrictions were available for the following purposes:

As of December 31:	2024	2023
Hurricane Helene	$ 48,739	$ -
Time Restricted for 2025	1,708,375	50,000
Other Program Initatives	272,588	249,052
Total Net Assets With Donor Restrictions	$ 2,029,702	$ 299,052

9. *Retirement Plan*

Dogwood provides a SIMPLE IRA account for each eligible employee and makes a non-elective contribution of two percent of their salary. Total retirement plan expense to the organization was $26,755 and $24,784 for the years ended December 31, 2024 and 2023, respectively.

10. *Subsequent Events*

Subsequent events have been evaluated through September 23, 2025, which is the date the financial statements were available to be issued.