



**GaryMcGee & Co. LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

## **Rogue River Watershed Council**

Financial Statements and Other Information  
as of and for the Year Ended December 31, 2024  
and Independent Accountants' Compilation Report

ROGUE RIVER WATERSHED COUNCIL

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

*The Board of Directors  
Rogue River Watershed Council:*

Management is responsible for the accompanying financial statements of the Rogue River Watershed Council, 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 notes to the financial statements in accordance with accounting principles generally accepted in the United States. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services*, promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

*Summarized Comparative Information*

The accompanying summarized 2023 financial statements of the Rogue River Watershed Council were compiled by us, and in our report dated February 26, 2024, we did not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States.



February 5, 2025

ROGUE RIVER WATERSHED COUNCIL  
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024  
(WITH COMPARATIVE AMOUNTS FOR 2023)

	2024	2023
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Assets:		
Cash and cash equivalents	\$ 150,279	178,166
Grants receivable ( <i>note 4</i> )	263,898	280,880
Prepaid expenses and deposits	2,244	1,527
Equipment ( <i>note 5</i> )	1,044	2,580
Right-of-use asset – operating lease ( <i>note 6</i> )	53,800	–
<hr/>		
Total assets	\$ 471,265	463,153
<hr/>		
Liabilities:		
Accounts payable and accrued expenses	48,739	102,239
Accrued compensated absences	7,186	10,781
Deferred grant advances ( <i>note 7</i> )	41,824	82,209
Lease liability – operating lease ( <i>note 6</i> )	53,800	–
<hr/>		
Total liabilities	151,549	195,229
<hr/>		
Net assets:		
Without donor restrictions:		
Available for programs and general operations	294,934	243,851
Net investment in capital assets	1,044	2,580
<hr/>		
Total without donor restrictions	295,978	246,431
With donor restrictions ( <i>note 8</i> )	23,738	21,493
<hr/>		
Total net assets	319,716	267,924
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Commitments and contingencies ( <i>notes 4, 10, 13, and 14</i> )		
Total liabilities and net assets	\$ 471,265	463,153
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See independent accountants' compilation report and accompanying notes to financial statements.

ROGUE RIVER WATERSHED COUNCIL

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)

	2024			2023
	Without donor restrictions	With donor restrictions	Total	
Revenues, gains, and other support:				
Government grants	\$ 198,000	1,819,491	2,017,491	675,848
Other contributions and grants	33,507	577,459	610,966	366,504
In-kind contributions ( <i>note 9</i> )	6,121	–	6,121	73,123
Special events, net of direct costs of \$13,775 in 2024 and \$12,360 in 2023	27,605	21,145	48,750	40,347
Other revenue	1,213	–	1,213	2,674
Total revenues and gains	266,446	2,418,095	2,684,541	1,158,496
Net assets released from restrictions ( <i>note 11</i> )	2,415,850	(2,415,850)	–	–
Total revenues, gains, and other support	2,682,296	2,245	2,684,541	1,158,496
Expenses ( <i>note 12</i> ):				
Program services	2,447,203	–	2,447,203	996,734
Management and general	154,212	–	154,212	119,594
Fundraising	31,334	–	31,334	24,748
Total expenses	2,632,749	–	2,632,749	1,141,076
Increase in net assets	49,547	2,245	51,792	17,420
Net assets at beginning of year	246,431	21,493	267,924	250,504
Net assets at end of year	\$ 295,978	23,738	319,716	267,924

See independent accountants' compilation report and accompanying notes to financial statements.

ROGUE RIVER WATERSHED COUNCIL

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)

	2024					Total program services	Supporting services			Total	2023
	Program services				Total program services		Management and general	Fund-raising	Total supporting services		
	Stream restoration	Water quality improvement	Engagement	Monitoring		Total program services	Management and general	Fund-raising	Total supporting services	Total	2023
Salaries and related expenses	\$ 235,309	94,124	117,655	23,531	470,619	122,790	28,415	151,205	621,824	473,318	
Contracted services	1,874,844	28,526	27,244	2,856	1,933,470	4,636	–	4,636	1,938,106	538,960	
Materials and permits	6,835	1,187	1,969	195	10,186	37	–	37	10,223	72,825	
Professional services	–	–	–	–	–	9,690	–	9,690	9,690	9,153	
Occupancy	5,693	2,277	2,847	569	11,386	2,965	687	3,652	15,038	15,450	
Office expenses	2,057	1,129	3,482	–	6,668	4,996	2,150	7,146	13,814	12,585	
Advertising and promotion	1,010	–	750	–	1,760	–	–	–	1,760	50	
Travel expenses	6,913	289	395	212	7,809	316	82	398	8,207	7,522	
Meetings and training	341	963	465	–	1,769	1,654	–	1,654	3,423	2,426	
Insurance	–	–	–	–	–	4,186	–	4,186	4,186	4,253	
Dues, fees, and memberships	–	–	–	–	–	2,942	–	2,942	2,942	1,640	
Contributions to others	2,000	–	–	–	2,000	–	–	–	2,000	1,431	
Depreciation	–	–	–	1,536	1,536	–	–	–	1,536	1,463	
<b>Total expenses</b>	<b>\$ 2,135,002</b>	<b>128,495</b>	<b>154,807</b>	<b>28,899</b>	<b>2,447,203</b>	<b>154,212</b>	<b>31,334</b>	<b>185,546</b>	<b>2,632,749</b>	<b>1,141,076</b>	

See independent accountants' compilation report and accompanying notes to financial statements.

ROGUE RIVER WATERSHED COUNCIL

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)

	2024	2023
Cash flows from operating activities:		
Cash received from grantors, contributors, and others	\$ 2,668,792	1,073,696
Cash paid to employees and suppliers	(2,683,479)	(1,045,500)
Cash paid for amounts included in the measurement of operating lease liability	(13,200)	-
Net cash provided by (used in) operating activities	(27,887)	28,196
Cash and cash equivalents at beginning of year	178,166	149,970
Cash and cash equivalents at end of year	\$ 150,279	178,166

Supplemental schedule of cash flow information:

Right-of-use asset obtained in exchange of new operating lease obligation	\$ 59,364	-
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See independent accountants' compilation report and accompanying notes to financial statements.

ROGUE RIVER WATERSHED COUNCIL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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1. Organization

The Rogue River Watershed Council is a private, nonprofit organization established under the laws of the State of Oregon in 1995 to promote and implement voluntary cooperative conservation actions within watersheds.

The Council works to restore instream and streamside habitat, improve water quality, and encourage community members to become stewards of the Rogue River and its tributaries. Aquatic monitoring and science-based decision-making are critical to the Council's restoration planning and actions. The Council covers approximately 1,641,000 acres from the headwaters near Crater Lake to the mouth of Kelsey Creek and encompasses the towns of Grants Pass, Merlin, Shady Cove, Eagle Point, Butte Falls, Central Point, Jacksonville, Phoenix, Talent, Medford, Ashland, Rogue River, and Gold Hill.

2. Program Services

During the year ended December 31, 2024, the Council incurred program services expenses in the following major categories:

**Stream Restoration** – The Council identifies conditions in and along streams that limit habitat quality for fish and wildlife, and water quality. The Council engages with private and public landowners and land managers to discuss these limiting factors, develop approaches to reduce or eliminate the impact, and implement ecological restoration projects to address them. Restoration actions including large wood installment and side-channel reconnection help restore natural stream processes.

Additionally, aquatic animal passage and movement are improved through prioritized barrier removal and subsequent irrigation system conversion when necessary.

Streamside restoration, including riparian rehabilitation, uses integrated pest management practices to help recover native plant communities, primarily focused on excluding livestock and suppressing noxious weeds. Additional efforts to encourage native plant survival are included in future stewardship. When necessary, native plant species are planted to contribute shade to the stream and increase slope stability to help prevent erosion. More often than not, however, we allow native species to recruit naturally at our streamside restoration projects.

These actions restore natural processes that improve water quality and sustain high-quality aquatic and terrestrial habitats that build a resilient ecosystem and robust fish, plant, and animal populations.

**Water Quality Improvement** – The Council works to address issues that pollute and warm the streams in our region. The Council has developed a collaborative Water Quality Improvement Program that will help achieve the goal of cleaner water. Specifically, the intent of the program is to address persistent water quality problems that include high temperature, low dissolved oxygen levels, sedimentation, bacteria presence, and nutrient loading.

Projects such as side-channel reconnection, streamside rehabilitation, converting from flood to sprinkler irrigation, and reducing stormwater runoff in urban areas provide water quality benefits including decreased stream bank erosion, increased shading, and decreased nutrient bacteria entering the stream.

The Council also works with drinking water providers to strategically locate ecological restoration practices and on farm agriculture improvements to benefit source water protection efforts.

Engagement – The Council uses a variety of strategies to communicate and engage with community members about stream processes, functioning watersheds, resilient communities, and Council activities. Engagement strategies include active social media accounts, a regularly updated website, short video productions, and video library, as well as short newsletters (every other month) and lengthier newsletters (biannual). Engagement actions supplement and promote the Council’s restoration efforts.

Monitoring – The Council uses monitoring information to assess actions, guide decisions, determine ecological limiting factors, and measure the success of the Council’s activities. Currently, the Council monitors water quality parameters in Bear, Little Butte, and Elk Creeks as they relate to wildfire, the Upper Rogue Coho Strategic Action Plan, and a large-scale irrigation system improvement.

### 3. Summary of Significant Accounting Policies

The significant accounting policies followed by the Council 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 Council 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.

- *Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that will be met either by actions of the Council and/or the passage of time. These balances represent the unexpended portion of donor-restricted contributions 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.

Cash Equivalents – For purposes of the financial statements, the Council considers all liquid investments having initial maturities of three months or less to be cash equivalents.

Capital Assets and Depreciation – Generally property and equipment in excess of \$2,500 are capitalized, and carried at cost when purchased, and initially at fair market value when acquired by gift. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which are generally three to five years.

Right-of-Use Asset and Lease Liability – The Council recognizes a right-of-use (ROU) asset and a lease liability, 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.

Revenue Recognition – With regard to revenues from grants and contracts, the Council evaluates whether each transfer of assets is (1) an exchange (reciprocal) transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or a grant), where no value is exchanged.

- *Exchange Transactions* – If the transfer of assets is determined to be an exchange transaction, the Council recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service.
- *Contributions and Grants* – If the transfer of assets is determined to be a contribution, the Council evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds and (2) either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.
- *Governmental Support* – Activities funded by governments are often carried out for the benefit of the general public, rather than to obtain goods or services for the government's own use or proprietary benefit. Accordingly, if the primary beneficiary of the activity is the general public, rather than the government itself, the transaction is treated as nonreciprocal (i.e., a contribution).

Grants and Contributions – Grants and contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the 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 activities 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's intent.

In-Kind Contributions – Significant services received which create or enhance a non-financial asset or require specialized skills that the organization would have purchased if not donated are recognized in the statement of activities.

In-kind contributions of equipment and other materials are recorded when there is an objective basis upon which to value the contribution and when the contribution is an essential part of the organization's activities.

Benefits Provided to Donors at Special Events – The Council conducts special fundraising events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of the benefits received by participants at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Council.

Advertising and Promotional Expenses – Advertising and promotional costs are charged to expense as they are incurred.

Concentrations of Credit Risk – The Council's financial instruments consist primarily of cash equivalent which may subject the organization to concentrations of credit risk as, from time to time, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation.

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. At December 31, 2024, the Council did not hold any cash equivalents in excess of the FDIC insured level.

Certain grants receivable also subject the Council to concentrations of credit risk. When necessary, receivables are reported net of an allowance for uncollectible accounts.

Income Taxes – The Council is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law, and derives its public charity status as an organization described in Sections 170(b)(1)(A)(vi) and 509(a)(1) of the Internal Revenue Code.

Subsequent Events – Subsequent events have been evaluated by management through February 5, 2025, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2023 – The accompanying financial information as of and for the year ended December 31, 2023 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.

#### 4. Grants Receivable

Grants receivable consist of unconditional promises totaling \$263,898 expected to be collected within one year.

##### *Conditional Grants Receivable*

As of December 31, 2024, the Council had been awarded additional grants totaling \$5,183,222, the receipt of which is conditioned upon incurring specific costs. These awards have not been included in the accompanying financial statements because the associated conditions had not been satisfied as of December 31, 2024.

5. Equipment

A summary of equipment at December 31, 2024 is as follows:

Field equipment	\$ 49,542
Office equipment	2,679
	<hr/> 52,221
Less accumulated depreciation	(51,177)
	<hr/> \$ 1,044

6. Lease

The Council has entered into an operating lease agreement for office space. This lease expires on June 30, 2029.

At December 31, 2024, the Council's ROU asset and corresponding lease liability for the operating lease totaled \$53,800.

Lease expense for the year ended December 31, 2024, totaled \$13,200.

As of December 31, 2024, the discount rate was 4.4% and remaining lease term was 4.5 years.

*Future Lease Payments*

Operating lease obligations are expected to be paid for each of the following fiscal years:

<i>Years ending December 31,</i>	
2025	\$ 13,200
2026	13,200
2027	13,200
2028	13,200
2029	6,600
	<hr/> 59,400
Less present value discount	(5,600)
	<hr/> Total operating lease obligations \$ 53,800

7. Deferred Grant Advances

Deferred grant advances consist of \$41,824 in advance payments received from funders on cost reimbursement grants at December 31, 2024.

8. Net Assets with Donor Restrictions

The following summarizes the Council's net assets with donor-imposed restrictions as of December 31, 2024:

*Expendable net assets restricted for the following purposes:*

Restoration	\$ 16,846
Engagement	4,863
Water quality	2,029
	<hr/> \$ 23,738

9. In-Kind Contributions

During the year ended December 31, 2024, the Council recorded \$5,821 in donated restoration related professional services, and \$300 in administrative services. Value ascribed to these services and materials were based on market prices for similar services and materials.

In addition, during the year ended December 31, 2024, the Council received items to be sold at its annual auction. Contributed auction items totaled \$8,555 and have been valued at their gross selling price. This amount has been included in the special fundraising events revenue in the accompanying statement of activities. Proceeds from the sale of auction items have not been restricted by donors.

10. Concentration of Revenues

During the year ended December 31, 2024, the Council reported \$1,093,964 in grants from the Oregon Watershed Enhancement Board, which represented 41% of total revenues. At December 31, 2024, receivables totaling \$114,488 were due from the Oregon Watershed Enhancement Board.

11. Net Assets Released from Restrictions

During the year ended December 31, 2024, the Council incurred \$2,415,850 in expenses in satisfaction of the restricted purposes specified on contributions by donors, or satisfied the restrictions by the occurrence of other events.

12. Expenses

The costs of providing the various programs and activities of the Council have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the organization, and therefore require allocation on a reasonable basis that is applied consistently. Those expenses include salaries and wages, benefits, and payroll taxes, which are allocated on the basis of time and efforts. Occupancy, office expenses, and other expenses, are allocated on the basis of estimates to the activities that are most directly benefited.

13. Retirement Plan

During the year ended December 31, 2024, the Council provided its employees with a SIMPLE IRA plan. The Council makes annual matching contribution up to 3% of the annual compensation of each participant. Employees may make voluntary contributions to the plan up to the limits allowed by law. Employees select from several investment options within the IRA. Contributions from both employees and the Council vest as accrued. Contributions by the Council to the plan totaled \$13,959 for the year ended December 31, 2024.

14. Contingencies

Amounts received or receivable under the Council’s grants from governmental agencies are subject to audit and adjustment by the grantor agencies. Any expenditures or claims disallowed as a result of such audits would become a liability of the Council’s net assets without donor restrictions. In the opinion of the Council’s management, any adjustments that might result from such audits would not be material to the organization’s overall 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, 2024:

Cash and cash equivalents	\$ 150,279
Grants receivable	263,898
	<hr/>
	\$ 414,177
	<hr style="border-top: 3px double #000;"/>

As part of its liquidity management, the Council has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

## 16. Statement of Cash Flows Reconciliation

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

Increase in net assets	\$	51,792
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<i>Adjustments to reconcile increase in net assets to net cash used in operating activities:</i>		
Depreciation		1,536
Amortization of ROU asset – operating lease		5,564
<i>Net changes in:</i>		
Grants receivable		16,982
Prepaid expenses and deposits		(717)
Accounts payable and accrued expenses		(53,500)
Accrued compensated absences		(3,595)
Deferred grant advances		(40,385)
Lease obligation –operating lease		(5,564)
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Total adjustments		(79,679)
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Net cash used in operating activities	\$	(27,887)
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ROGUE RIVER WATERSHED COUNCIL  
GOVERNING BOARD AND MANAGEMENT

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Board of Directors – 2024

Jack Williams, *Chair*  
Stan Dean, *Vice Chair*  
Steve Day, *Secretary*  
Bela Toledo, *Treasurer*  
Keith Emerson  
Dave Grosjacques  
Bob Jones  
Peter Mazzini  
Consuelo Montoya  
Terry Ruitter  
Jolee Wallace

Management

Brian Barr, *Executive Director*

ROGUE RIVER WATERSHED COUNCIL  
INQUIRIES AND OTHER INFORMATION

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