

ROGUE RIVER WATERSHED COUNCIL

COMPILED FINANCIAL STATEMENTS

For the Year Ended

December 31, 2020

RICHARD W. BREWSTER, CPA, PC

CERTIFIED PUBLIC ACCOUNTANT
MEDFORD

ROGUE RIVER WATERSHED COUNCIL

December 31, 2020

BOARD OF DIRECTORS

Name

Keith Emerson
Chairman

Terry Ruitter
Vice Chairman

Jack Williams
Secretary

Bela Toledo
Treasurer

Ray Tharp

Bob Hunter

Bob Jones

Susan Maiyo

Kerry KenCairn

Phylis McIntosh

Dave Grosjacques

OTHER INFORMATION

Brian Barr, Executive Director
Registered Agent

89 Alder St.
Central Point, OR 97502

ROGUE RIVER WATERSHED COUNCIL
For the Year Ended December 31, 2020

TABLE OF CONTENTS

	<u>Page</u>
Accountant's Compilation Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-10

ACCOUNTANT'S COMPILATION REPORT

RICHARD W. BREWSTER, CPA, PC

CERTIFIED PUBLIC ACCOUNTANT

670 SUPERIOR COURT, # 106

MEDFORD, OREGON 97504

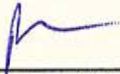
(541) 773-1885 • FAX (541) 770-1430

www.rwbrewstercpa.com

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Rogue River Watershed Council
89 Alder Street
Central Point, Oregon 97502

Management is responsible for the accompanying financial statements of Rogue River Watershed Council (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities 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 of America. I 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 AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. I do not express an opinion, a conclusion, nor provide any assurance on these financial statements.



Richard W. Brewster
Certified Public Accountant
March 23, 2021

FINANCIAL STATEMENTS

ROGUE RIVER WATERSHED COUNCIL
Statement of Financial Position
December 31, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 126,572
Accounts receivable	144,326
Prepaid expenses	7,345
Total current assets	<u>278,243</u>

EQUIPMENT

Field equipment	39,444
Office equipment	7,252
Less accumulated depreciation	<u>(44,398)</u>
Net cost of equipment	<u>2,298</u>

TOTAL ASSETS	\$ <u>280,541</u>
---------------------	--------------------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 37,580
Vacation liability	7,866
Deferred Grants	<u>52,899</u>
Total current liabilities	<u>98,345</u>

Total liabilities	<u>98,345</u>
-------------------	---------------

NET ASSETS

Net assets without donor restrictions	158,440
Net assets with donor restrictions	<u>23,756</u>

Total net assets	<u>182,196</u>
------------------	----------------

TOTAL LIABILITIES AND NET ASSETS	\$ <u>280,541</u>
---	--------------------------

See the accompanying accountant's compilation report and notes to financial statements.

ROGUE RIVER WATERSHED COUNCIL
Statement of Activities
For the year ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions/other	\$ 57,640	\$ -	\$ 57,640
Grants	158,809	577,994	736,803
Event revenue net of expense	23,135	-	23,135
Net assets released from restrictions			
Satisfaction of program restrictions	696,705	(696,705)	-
Total revenue	<u>936,289</u>	<u>(118,711)</u>	<u>817,578</u>
Total support and revenue	<u>936,289</u>	<u>(118,711)</u>	<u>817,578</u>
EXPENSES			
Programs	728,620	-	728,620
Support services			
Operation	128,086	-	128,086
Fundraising	12,120	-	12,120
Total expenses	<u>868,826</u>	<u>-</u>	<u>868,826</u>
CHANGE IN NET ASSETS	67,463	(118,711)	(51,248)
NET ASSETS AT BEGINNING OF YEAR	<u>90,977</u>	<u>142,467</u>	<u>233,444</u>
NET ASSETS AT END OF YEAR	<u>\$ 158,440</u>	<u>\$ 23,756</u>	<u>\$ 182,196</u>

See the accompanying accountant's compilation report and notes to financial statements.

ROGUE RIVER WATERSHED COUNCIL
Schedule of Functional Expenses
For the year ended December 31, 2020

EXPENSES	Supporting Services			
	Programs	Operation	Fundraising	Total
Staff Wages	\$ 211,320	\$ 80,361	\$ 5,953	\$ 297,634
Employer taxes	17,686	6,726	498	24,910
Work comp insurance	955	363	27	1,345
Health insurance	31,841	12,108	897	44,846
Employer retirement contribution	6,390	2,430	180	9,000
Total Personnel Costs	268,192	101,988	7,555	377,735
Contracted services	380,148	1,120	500	381,768
Accounting	-	12,525	-	12,525
Materials	52,318	940	974	54,232
Payroll service fee	-	1,663	-	1,663
Dues, fees & membership	10	1,828	-	1,838
Banking & credit - Pay Pal	-	499	-	499
Insurance - D&O, liab	-	1,947	-	1,947
Occupancy	6,132	2,297	207	8,636
Cell phones	1,560	1,080	-	2,640
Contributions to others	2,000	-	-	2,000
Meetings	29	306	-	335
Project permits	1,831	-	-	1,831
Printing	3,515	-	1,306	4,821
Media & marketing	500	-	1,540	2,040
Software	669	709	-	1,378
Conference & training	116	1,082	-	1,198
Mileage & travel	4,688	102	38	4,828
Depreciation expense	6,912	-	-	6,912
TOTAL EXPENSES	\$ 728,620	\$ 128,086	\$ 12,120	\$ 868,826
Percent of total	84%	15%	1%	100%

See the accompanying accountant's compilation report and notes to financial statements.

ROGUE RIVER WATERSHED COUNCIL
Statement of Cash Flows
For the year ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	<u>\$ (51,248)</u>
Add back noncash items:	
Depreciation	6,912
Loss on disposal of equipment	68
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities	
(Increase) decrease in assets:	
Accounts receivable	(31,508)
Prepaid assets	6,580
Increase (decrease) in liabilities:	
Accounts payable	32,861
Payroll tax payable	(13,770)
Accrued vacation	(2,371)
Employee reimbursements	(1,960)
Deferred grants	<u>52,899</u>
Total adjustments	<u>49,711</u>
Net cash provided (used) by operating activities	<u>(1,537)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(1,537)</u>
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>128,109</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u><u>\$ 126,572</u></u>

There were no material noncash investing and financing activities.

See the accompanying accountant's compilation report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

ROGUE RIVER WATERSHED COUNCIL
Notes to Financial Statements
December 31, 2020

1. PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Rogue River Watershed Council (RRWC), the "Council", is a not-for-profit organization established under the laws of the State of Oregon in 1995 to promote and implement voluntary cooperative conservation actions

The Council promotes stewardship of the Rogue River by working collaboratively with communities and landowners to develop and carry out voluntary watershed protection, restoration, enhancement, and community engagement activities in the Rogue River watershed.

BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("US GAAP") and accordingly, reflect all significant receivables, payables, and other liabilities, and recognizes revenues when earned and expenses when incurred. US GAAP requires the Council to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Council. The Council's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Council or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of operations – the statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Council's programmatic watershed engagements. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature, if any.

ROGUE RIVER WATERSHED COUNCIL
Notes to Financial Statements
December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

We consider all cash and highly liquid financial investments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. The council does not have restricted cash.

CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Council to concentrations of credit risk consist principally of cash. The council maintains its cash in one bank account that, at times, may exceed federally insured limits. The Council has not experienced, nor does it anticipate, any losses with respect to such accounts.

ACCOUNTS RECEIVABLE

Accounts receivable consist of contributions and grants that are expected to be collected within one year.

FIXED ASSETS

Office equipment with a cost of \$2,500 or more is recorded at cost at date of purchase or for donated assets, at fair value at the date of donation. Depreciation is provided using the straight-line method over the five-year estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred.

CONTRIBUTIONS

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. All donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

ROGUE RIVER WATERSHED COUNCIL
Notes to Financial Statements
December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ADVERTISING COSTS

Advertising costs are expensed as incurred. Advertising costs for the year ended December 31, 2020 was \$2,040.

FUNCTIONAL EXPENSES

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses that can be identified with a specific program and support service were allocated directly according to their natural expenditure classification. Salaries and benefits are allocated by management based on timesheets submitted bi-monthly. Occupancy expenses that are common to several functions were allocated by the same percentage as personnel.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

INCOME TAXES

The Council is exempt from federal income tax under IRC Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Council has no unrelated business income. Accordingly, no provision for income taxes has been made to these financial statements.

2. ECONOMIC DEPENDENCE

Funding for the Council is primarily funded through Federal and State grants.

ROGUE RIVER WATERSHED COUNCIL
Notes to Financial Statements
December 31, 2020

3. LIQUIDITY AND AVAILABILITY OF FUNDS

The following represents the Council's financial assets at December 31, 2020:

	12/31/20
Financial assets at year end:	
Cash and cash equivalents	\$ 126,572
Accounts receivable	144,326
Total financial assets	270,898
Total financial assets available to meet general expenditures within the next 12 months	\$ 270,898

The Council does not have an investment policy. To maintain liquidity cash is held in a checking account. The council does not have a line of credit; although, cash can be accessed through the credit card account up to \$10,000.

4. PREPAID EXPENSES

Prepaid expenses consist of the occupancy lease of \$ 6,400 and insurance coverage for a future period of \$945, for a total at December 31, 2020, of \$7,345.

5. FIXED ASSETS

Fixed asset changes during 2020 are as follows:

	Balance 1/1/20	Additions	Subtractions	Balance 12/31/20
Equipment	\$ 51,032	\$ -	\$ (4,336)	\$ 46,696
Less accumulated depreciation	(41,754)	(6,912)	4,268	(44,398)
Net cost	\$ 9,278	\$ (6,912)	\$ (68)	\$ 2,298

Depreciation expense for the year ended December 31, 2020 was \$6,912.

ROGUE RIVER WATERSHED COUNCIL
Notes to Financial Statements
December 31, 2020

6. NET ASSETS

Net assets with donor restrictions were as follows for the year ended December 31, 2020:

	<u>12/31/20</u>
Specific Purpose	
Programmatic	\$ 23,756
Capacity grants	-
Total	<u>\$ 23,756</u>

7. RETIREMENT PLAN

The organization offers a SIMPLE IRA for employees with a matching contribution equal to the salary reduction contributions up to a limit of 3% of annual compensation. Six employees participate in the retirement plan. The employer expense for the year ended December 31, 2020 was \$9,000.

8. SUBSEQUENT EVENTS

In the first quarter of 2020, the World Health Organization declared the outbreak of the coronavirus (Covid-19) a world pandemic which continues to spread throughout the United States. As a result of Covid-19 and lock down orders by state governors the state of Oregon economic activity came to a halt which may reduce grant funding available for the Council.

The Council evaluated subsequent events as of March 23, 2021, which is the date of the compilation report. The report was available to be issued on March 23, 2021.