

REVIEWED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

Prepared for:
CALAPOOIA WATERSHED COUNCIL
(An Oregon Not-For-Profit Corporation)

ANDERSON GROUP
CERTIFIED PUBLIC ACCOUNTANTS, LLC
2165 NW Professional Drive, Suite 101
Corvallis, Oregon 97330
(541) 757-2070

CALAPOOIA WATERSHED COUNCIL

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Partners
Kristen P. Gose, CPA
Alyce Chapman, CPA

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To The Board of Directors
Calapooia Watershed Council
Brownsville, Oregon

We have reviewed the accompanying statement of financial position of Calapooia Watershed Council (an Oregon not-for-profit corporation) as of June 30, 2015, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Council management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly we do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Anderson Group CPAs, LLC

Corvallis, Oregon
August 26, 2015

CALAPOOIA WATERSHED COUNCIL
Statement of Financial Position
As of June 30, 2015

ASSETS	
Cash	\$ 98,564
Grants receivable	239,797
Property and equipment, net	3,501
Prepaid expense	730
	342,592
TOTAL ASSETS	\$ 342,592
 LIABILITIES	
Accounts payable	\$ 192,776
Accrued payroll liabilities	3,273
	196,049
TOTAL LIABILITIES	\$ 196,049
 NET ASSETS	
Temporarily restricted	\$ 44,274
Unrestricted	102,269
	146,543
TOTAL NET ASSETS	\$ 146,543
TOTAL LIABILITIES AND NET ASSETS	\$ 342,592

See accompanying notes and independent accountants' review report.

CALAPOOIA WATERSHED COUNCIL
Statement of Activities
For the Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
State grants	\$ -	\$ 216,120	\$ 216,120
Federal grants	-	280,497	280,497
Direct public support	7,128	-	7,128
Foundation grants	-	124,068	124,068
Individual contributions	10,660	-	10,660
Local government grants	-	7,000	7,000
Investment income	192	-	192
Program services	187,698	-	187,698
Municipal/ local donations	-	5,500	5,500
Other Income	1,615	-	1,615
Net assets released from restrictions	676,341	(676,341)	-
TOTAL REVENUE AND SUPPORT	884,134	(43,656)	840,478
EXPENSES			
Contract Services	333,492	-	333,492
Payroll expenses	320,943	-	320,943
Project expenses	144,754	-	144,754
Operations	30,167	-	30,167
Fiscal management expense	6,035	-	6,035
Facilities and equipment	7,582	-	7,582
Miscellaneous expense	10,254	-	10,254
TOTAL EXPENSES	853,227	-	853,227
CHANGE IN NET ASSETS	30,907	(43,656)	(12,749)
NET ASSETS AT BEGINNING OF YEAR	71,362	87,930	159,292
NET ASSETS AT END OF YEAR	\$ 102,269	\$ 44,274	\$ 146,543

See accompanying notes and independent accountants' review report.

CALAPOOIA WATERSHED COUNCIL
Statement of Cash Flows
For the Year Ended June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (12,749)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	1,263
Increase in Grants receivable	(34,950)
Increase in Accounts payable	66,100
Increase in Accrued payroll liabilities	(1,151)
	31,262
NET CASH PROVIDED BY OPERATING ACTIVITIES	18,513
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital Expenditures	-
	-
NET CASH USED IN INVESTING ACTIVITIES	-
NET DECREASE IN CASH	18,513
CASH AT BEGINNING OF YEAR	80,051
CASH AT END OF YEAR	\$ 98,564

See accompanying notes and independent accountants' review report.

CALAPOOIA WATERSHED COUNCIL
Notes to Financial Statements
Year Ended June 30, 2015

NOTE A –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Calapooia Watershed Council (the Council) is a not-for-profit public benefit corporation located in Brownsville, Oregon. The Council, formed in 2008, was formed with the specific purpose to address the goal of sustaining natural resource and watershed protection, restoration and enhancement within the Calapooia Watershed, to represent a balance of interest and affected persons within the Calapooia Watershed and to assure voluntary local citizen involvement in the development and implementation of watershed programs. The majority of the Council's revenue comes from State, Federal and local grants.

Accounting Method

The accompanying financial statements have been prepared on the accrual basis of accounting. The accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

The Council prepares financial statements in accordance with FASB Accounting Standards Codification (ASC) 958-205. The Council is required to report information regarding its financial position and activities according to three classes of net assets. Net assets and revenues, gains and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

- Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that can be fulfilled by the actions of the Council pursuant to those stipulations or that expire by the passage of time.
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Council. The Council had no such assets as of June 30, 2015.

Income Taxes

The Council is a not-for-profit corporation operating under section 501(c)(3) of the Internal Revenue Code, effective November 17, 2008 and is exempt from federal, state and local income taxes. Accordingly, no provision for income taxes is included in the financial statements.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include bank deposits, money market accounts, and highly liquid investments with maturities of three months or less.

CALAPOOIA WATERSHED COUNCIL
Notes to Financial Statements
Year Ended June 30, 2015

NOTE A –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Acquisitions of property and equipment with a useful life of more than one year and a cost of more than \$500 are capitalized. Buildings and improvements are depreciated over 10 to 25 years, while equipment and vehicles are depreciated over an average of 5 years. Depreciation is computed using the straight-line method.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those assets must be maintained, the Council reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor as a reclassification of temporarily restricted and unrestricted net assets. All donations of property and equipment are carried at the approximate fair value at the date of donation.

Functional Allocation of Expenses

The costs of providing the various programs and activities 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.

NOTE B – PROPERTY AND EQUIPMENT, NET

Property and equipment at June 30, 2015 consisted of the following:

Equipment	\$ 6,862
Less accumulated depreciation	<u>(3,361)</u>
Property and Equipment, net	<u>\$ 3,501</u>

Depreciation expense for the year ended June 30, 2015 was \$1,263.

NOTE C – OPERATING LEASE

The Council entered into a month-to-month lease for office space in Brownsville in the amount of \$385 per month. Rent increased to \$435 per month beginning December 1, 2014. Total rent paid during the year ended June 30, 2015 was \$5,020.

CALAPOOIA WATERSHED COUNCIL
Notes to Financial Statements
Year Ended June 30, 2015

NOTE D – TEMPORARILY RESTRICTED NET ASSETS

As of June 30, 2015, the Council had \$44,274 in Temporarily Restricted Net Assets. The balance of this account represents funds received from Grantors, but not yet spent for the intended purpose as of June 30, 2015.

NOTE E – SIMPLE IRA

The Organization adopted a SIMPLE IRA for which the Organization will contribute a matching contribution to each eligible employee's SIMPLE IRA equal to the employee's salary reduction contributions, up to a limit of 2% of the employee's compensation for the calendar year. Employer contributions in the amount of \$3,046 were made during the year ended June 30, 2015.

NOTE F – CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State and Federal government. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. It is the opinion of the management that no material adjustments will result from any such audits. Management has represented that there are no other contingent liabilities that require disclosure or recognition.

NOTE G – CONCENTRATIONS

The Council receives the majority of its revenues from Federal, State and local governments. Grants are generally awarded on a project by project basis. The Council is subject to possible cutbacks due to changes in funding priorities of the governmental entities.

NOTE H – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued. The Council recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The Council's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are available to be issued. The Council has evaluated subsequent events through August 26, 2015, which is the date the financial statements are issued.

CALAPOOIA WATERSHED COUNCIL
Notes to Financial Statements
Year Ended June 30, 2015

NOTE I – FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Council in estimating the fair value of its financial instruments:

Cash and grants receivable: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Accounts payable: The carrying amount reported in the statement of financial position for these liabilities approximates fair value.