

**EAGLE RIVER WATERSHED COUNCIL  
DBA EAGLE RIVER COALITION**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

**EAGLE RIVER COALITION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**CONTENTS**

	<b><u>Page</u></b>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



October 25, 2024

INDEPENDENT AUDITORS' REPORT

Board of Directors  
Eagle River Coalition  
Gypsum, Colorado

***Opinion***

We have audited the accompanying financial statements of the **Eagle River Watershed Council dba Eagle River Coalition** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Eagle River Coalition as of December 31, 2023, and the changes in 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Eagle River Watershed Council 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 Eagle River Coalition'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 the Eagle River Coalition'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 the Eagle River Coalition'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 previously audited Eagle River Coalition's December 31, 2022 financial statements and we expressed an unmodified opinion on those audited financial statements in our report dated July 11, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial information from which it has been derived.

*Taylor Roth and Company PLLC*

TAYLOR, ROTH AND COMPANY, PLLC  
CERTIFIED PUBLIC ACCOUNTANTS  
DENVER, COLORADO

**EAGLE RIVER COALITION**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 384,252	\$ 288,206
Grants and contracts receivable (Note 4)	151,090	104,874
Prepaid expenses	3,289	3,239
Deposits	1,350	1,350
Interest in Land and Rivers Fund (Note 5)	19,993	15,394
Investments (Note 6)	137,089	133,887
Right-of-use asset (Note 7)	17,161	32,379
Property and Equipment (Note 8)	3,119	4,153
Total assets	<u>\$ 717,343</u>	<u>\$ 583,482</u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 130,822	\$ 49,205
Accrued payroll	38,397	33,764
Operating lease obligation (Note 7)	17,161	32,379
Total liabilities	<u>186,380</u>	<u>115,348</u>
<u>Net assets</u>		
Without donor restrictions	314,073	340,944
Board designated	-	15,000
With donor restrictions (Note 9)	216,890	112,190
Total net assets	<u>530,963</u>	<u>468,134</u>
Total liabilities and net assets	<u>\$ 717,343</u>	<u>\$ 583,482</u>

The accompanying notes are an integral part of these financial statements

**EAGLE RIVER COALITION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Government	\$ 225,450	273,880	\$ 499,330	\$ 479,659
Foundations	38,107	109,399	147,506	70,968
Individuals	102,261	220	102,481	93,318
Businesses and other non-profits	29,898	35,496	65,394	64,952
Special events	18,416	-	18,416	17,973
Less: direct event expenses	(3,738)	-	(3,738)	(5,091)
Investment income	4,053	-	4,053	(358)
Land and Rivers 1%	2,411	-	2,411	2,512
Net assets released from restrictions (Note 10)	314,295	(314,295)	-	-
Total revenue and other support	731,153	104,700	835,853	723,933
<u>Expense</u>				
Program services	613,816	-	613,816	622,796
Supporting services				
Management and general	109,625	-	109,625	101,656
Fund-raising	49,583	-	49,583	73,056
Total expense	773,024	-	773,024	797,508
Change in net assets	(41,871)	104,700	62,829	(73,575)
Net assets, beginning of year	355,944	112,190	468,134	541,709
Net assets, end of year	\$ 314,073	\$ 216,890	\$ 530,963	\$ 468,134

The accompanying notes are an integral part of these financial statements

**EAGLE RIVER COALITION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	2023			2022	
	Supporting Services				
	Program	Management and General	Fund- raising	Total	Total
Salaries and wages	\$ 198,779	\$ 44,138	\$ 29,460	\$ 272,377	\$ 241,990
Water quality consultants	98,916	-	-	98,916	84,629
Advertising and marketing	53,822	11,951	7,977	73,750	24,025
Payroll taxes and benefits	35,634	7,913	5,281	48,828	40,120
Construction materials	47,662	-	-	47,662	95,860
Feasibility study consultants	33,136	-	-	33,136	-
Accounting and audit	-	26,504	-	26,504	26,116
Contract services	26,487	-	-	26,487	6,448
Hydrologic modeling consultants	23,858	-	-	23,858	109,040
Supplies	22,909	-	-	22,909	28,764
Lab fees	17,870	-	-	17,870	17,870
Rent	11,823	2,625	1,752	16,200	16,200
Printing and postage	10,959	2,433	1,624	15,016	7,159
Transportation	7,453	1,654	1,105	10,212	4,911
Stakeholder engagement consultants	9,553	-	-	9,553	22,189
Technology and communications	5,295	1,176	785	7,256	8,292
Meetings	3,471	771	514	4,756	4,930
Legal	-	4,500	-	4,500	-
Staff development	2,794	621	414	3,829	4,474
Dues and subscriptions	493	2,223	329	3,045	1,970
Insurance	-	2,606	-	2,606	3,892
Eagle River Fund consultants	-	-	-	-	30,930
Strategic plan	-	-	-	-	12,392
All other	2,147	343	230	2,720	4,412
	613,061	109,458	49,471	771,990	796,613
Depreciation	755	167	112	1,034	895
Total	\$ 613,816	\$ 109,625	\$ 49,583	\$ 773,024	\$ 797,508

The accompanying notes are an integral part of these financial statements

**EAGLE RIVER COALITION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	<u>2023</u>	<u>2022</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 62,829	\$ (73,575)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,034	895
(Gain)loss on investments	(788)	759
Amortization of right of use asset	15,218	14,643
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in grants and contracts receivable	(46,216)	36,531
(Increase)decrease in interest in land and rivers fund	(4,599)	33,804
(Increase)decrease in prepaid expenses	(50)	1,516
Increase(decrease) in accounts payable	81,617	(48,066)
Increase(decrease) in accrued payroll	4,633	(8,262)
Increase(decrease) in operating lease obligation	<u>(15,218)</u>	<u>(14,643)</u>
Net cash provided(used) by operating activities	98,460	(56,398)
<u>Cash flows from investing activities</u>		
Interest and dividends	(2,484)	(377)
Withdrawals	1,704	-
Purchase of investments	(1,634)	(127,598)
Additions to property and equipment	<u>-</u>	<u>(1,047)</u>
Net cash provided(used) by investment activities	(2,414)	(129,022)
 Net increase(decrease) in cash and cash equivalents	 96,046	 (185,420)
 Cash and cash equivalents, beginning of year	 <u>288,206</u>	 <u>473,626</u>
Cash and cash equivalents, end of year	<u>\$ 384,252</u>	<u>\$ 288,206</u>

The accompanying notes are an integral part of these financial statements



**EAGLE RIVER COALITION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 1 - NATURE OF ACTIVITIES**

Eagle River Coalition ("the Organization") was incorporated in the State of Colorado as a non-profit corporation, pursuant to Articles of Incorporation filed July 29, 2004. The mission of the Organization is to advocate for the health of the Upper Colorado and Eagle River basins through research, education, and projects. The Organization strives to protect and enhance the high quality natural, scenic, and economic values that our rivers and tributaries provide to the citizens, visitors, and wildlife of the Eagle River and Colorado River watersheds located in Eagle County, Colorado. The Organization draws the majority of its revenue from government, foundations, and individuals.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES**

**1. Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**2. Basis of Presentation**

The financial statements of the Organization, have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization 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 organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

**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 Organization 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 statements of activities. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

**3. Cash and Cash Equivalents**

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents, except those amounts that are held in the investment portfolio which are invested for long term purposes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES – (Continued)

4. Government Contract Revenue and Receivable

Revenue is recognized to the extent that eligible expenses are incurred. These expenses are reimbursed by the funder. Often the timing results in a receivable due from the funding entity. Management believes that an allowance for uncollectable is not necessary.

5. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000. The fair value of donated assets is similarly capitalized. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

6. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

7. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

8. Functional Reporting of Expenses,

For the year ended December 31, 2023, the costs of providing the various programs and other 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. Salaries and benefits are allocated based on the time spent in those areas. All other costs are assigned directly to the program or functional area benefited.

9. Leases

The Organization determines if an arrangement is or contains a lease at inception and whether they will be classified as an operating or finance lease based upon the accounting criteria. Leases are included in right of use (ROU) assets and lease obligations in the statement of financial position. ROU assets and lease obligations reflect the present value of future minimum lease payments over the lease term, and ROU assets are also included in prepaid or accrued rent. The Organization uses the rate implicit in the lease if determinable. When the rate implicit in the lease is not determinable, the Organization uses an incremental borrowing rate to determine the present value of future lease payments. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization applies the short-term lease exemption of not recognizing ROU assets and lease obligations for leases that have terms of 12-months or less. Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

10. Summarized Prior-Year Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES – (Concluded)

11. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

12. Concentration of credit risk

Balances in the bank accounts may, from time to time, exceed federally insured limits. The Organization believes that its loss exposure is limited.

13. Fair Value Measurements

The Organization follows the provision of the Fair Value Measurements and Disclosures Topic of FASB ASC, which requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3). In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

14. Subsequent events

Management has evaluated subsequent events through October 25, 2024, the date the financial statements were available to be issued.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2023:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 384,251
Grants and contracts receivable	151,090
Interest in land and rivers fund	19,993
Investments	<u>137,089</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 692,423</u>

The Organization's goal is generally to maintain financial assets to meet six months of operating expenses which would approximate \$386,000. Management considers donor restricted contributions that will be used within one year as part of its ordinary operations as being available for general expenditures

NOTE 4 - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable represent \$151,090 in amounts that have been billed under contracts, or award notices received, but not collected as of the date of the financial statements. Grants and contracts receivable are stated at the amount management expects to collect from outstanding balances. As of December 31, 2023, management had determined, based on historical experience, that all amounts are fully collectible, and expect to be received in the year ended December 31, 2024, and no allowance for doubtful accounts is necessary.

NOTE 5 - INTEREST IN LAND AND RIVERS FUND

During 2018, the Organization entered into a joint venture agreement with the Eagle Valley Land Trust (EVLTL), a nonprofit corporation, to create, operate, and manage the Land and Rivers Fund (the Fund), a voluntary retail-based donation program focused on conserving rivers and open spaces for the Eagle Valley community. The Organization staffs the Fund and EVLTL holds all registered trade names. Net income from the Fund is distributed equally (50% to the Organization and 50% to EVLTL) on a quarterly basis. The Organization received \$2,411 during the year ended December 31, 2023, in net income distributions from the Fund. The total of \$19,993 due from the Fund at year end is reimbursable salary expenses. The financial statements of the Fund have not been consolidated in the Organization's financial statements.

NOTE 6 - INVESTMENTS

As of December 31, 2023, investments included (level 1 inputs):

<u>Description</u>	<u>Fair value</u>
Cash and money market	\$ 30
Certificates of deposit	137,059
Total	<u>\$ 137,089</u>

Investment income and account activity is summarized as follows:

<u>Description</u>	<u>Amount</u>
Beginning balance	<u>\$ 133,887</u>
Additions	1,634
Withdrawals	<u>(1,704)</u>
Interest	2,484
Change in market value	788
Net appreciation	<u>3,272</u>
Total	<u>\$ 137,089</u>

The Organization earned \$781 in interest on cash accounts during 2023.

NOTE 7 - OPERATING LEASE RIGHT OF USE ASSET AND LEASE OBLIGATION

The Organization entered into an operating lease agreement for office space in Gypsum, Colorado. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 16,200
2025	1,350
Total	17,550
Less amount representing interest	(389)
Present value of lease payments	<u>\$ 17,161</u>

The weighted average discount rate used to calculate the present value of future minimum lease payments was 3.86%. The weighted average lease term was 1.08 years as of year-end.

Supplemental cash flow information follows:

Operating cash outflows from operating lease	\$ 16,200
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NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consist of:

<u>Description</u>	<u>Amount</u>
Computer equipment	\$ 4,336
Leasehold improvements	2,500
Total	6,836
Less: accumulated depreciation	(3,717)
Net property and equipment	<u>\$ 3,119</u>

Depreciation expense for the year was \$1,034.

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

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

<u>Description</u>	<u>Amount</u>
US Forest Service project	\$ 73,249
Restoration projects	69,146
Water quality monitoring and assessment	68,014
Colorado River projects	6,481
Total	<u>\$ 216,890</u>

NOTE 10 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes:

<u>Description</u>	<u>Amount</u>
Water quality monitoring and assessment	\$ 114,228
Education	74,971
Eagle river fund	55,685
US Forest Service project	39,014
Restoration projects	24,696
Eagle river community water plan	<u>5,701</u>
Total	<u>\$ 314,295</u>

NOTE 11 - IN-KIND CONTRIBUTIONS

No amounts have been reflected in the financial statements for donated services not requiring specific expertise. During the year, 1,338 volunteers donated 3,991 hours of non-professional level services. Management estimates the fair value of those services to be \$133,658.

NOTE 12 - RETIREMENT PLAN

The Organization offers eligible employees the option to contribute to a regular 401K or a ROTH 401K plan and matches 3% of their base salary. The Organization includes a profit-sharing component to the plan which allows the Organization, at its sole discretion, to contribute up to a maximum of an additional 3% of participating employees base salary. During 2023, the Organization made contributions of \$19,001 to the plan.