

PARTNERS FOR CLEAN STREAMS
AUDITED FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Partners for Clean Streams

Opinion

We have audited the accompanying financial statements of Partners for Clean Streams (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 Partners for Clean Streams as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Partners for Clean Streams and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Partners for Clean Streams' 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 Partners for Clean Streams' 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 Partners for Clean Streams' 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 audits.

DeMarco & Associates CPAs, LLC

December 15, 2022
Perrysburg, Ohio

PARTNERS FOR CLEAN STREAMS
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

ASSETS	2021	2020
Current assets		
Cash	\$ 110,195	\$ 59,450
Receivables:		
Grants	13,088	27,427
Contributions	5,000	5,000
Total assets	\$ 128,283	\$ 91,877
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 12,254	\$ 9,748
Accrued wages	2,965	3,591
Total current liabilities	15,219	13,339
Net assets		
Without donor restrictions	(153)	13,852
With donor restrictions	113,217	64,686
Total net assets	113,064	78,538
 Total liabilities and net assets	 \$ 128,283	 \$ 91,877

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

PARTNERS FOR CLEAN STREAMS
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2021 and 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>
Support and revenue			
Grants	\$ 8,354	\$ 181,474	\$ 189,828
Donations	17,996	10,000	27,996
Net assets released from restrictions	142,943	(142,943)	-
Total support and revenue	<u>169,293</u>	<u>48,531</u>	<u>217,824</u>
Functional expenses			
Program services	147,806	-	147,806
Supporting services			
Management and general	20,668	-	20,668
Fundraising	14,827	-	14,827
Total operating expenses	<u>183,301</u>	<u>-</u>	<u>183,301</u>
Change in operating net assets	(14,008)	48,531	34,523
Other income			
Interest income	<u>3</u>	<u>-</u>	<u>3</u>
Change in net assets	(14,005)	48,531	34,526
Net assets beginning of year	<u>13,852</u>	<u>64,686</u>	<u>78,538</u>
Net assets end of year	<u>\$ (153)</u>	<u>\$ 113,217</u>	<u>\$ 113,064</u>

	Without Donor Restrictions	With Donor Restrictions	2020 Totals
Support and revenue			
Grants	\$ 6,071	\$ 125,698	\$ 131,769
Donations	26,592	2,039	28,631
Net assets released from restrictions	115,411	(115,411)	-
Total support and revenue	<u>148,074</u>	<u>12,326</u>	<u>160,400</u>
Operating expenses			
Program services	143,175	-	143,175
Supporting services			
Management and general	19,248	-	19,248
Fundraising	13,458	-	13,458
Total operating expenses	<u>175,881</u>	<u>-</u>	<u>175,881</u>
Change in operating net assets	(27,807)	12,326	(15,481)
Other income			
Interest income	<u>4</u>	<u>-</u>	<u>4</u>
Change in net assets	(27,803)	12,326	(15,477)
Net assets beginning of year	<u>41,655</u>	<u>52,360</u>	<u>94,015</u>
Net assets end of year	<u>\$ 13,852</u>	<u>\$ 64,686</u>	<u>\$ 78,538</u>

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

PARTNERS FOR CLEAN STREAMS
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2021 and 2020

	Program Expenses	Supporting Services		2021
		Management & General	Fundraising	
Outside contract services	\$ 24,527	\$ -	\$ -	\$ 24,527
Salaries and wages	87,045	15,045	12,174	114,264
Payroll taxes	7,762	1,305	1,056	10,122
Professional fees	7,279	1,176	-	8,455
Rent	6,566	1,103	893	8,563
Supplies	5,175	870	704	6,749
Clean Your Streams expense	1,347	-	-	1,347
Liability insurance	2,975	481	-	3,456
Telephone and telecommunications	1,790	289	-	2,079
Printing and copying	2,101	339	-	2,440
Postage and mailing service	130	21	-	151
Miscellaneous	867	-	-	867
Books, subscriptions and reference	242	39	-	281
Business registration fees	-	-	-	-
Total functional expenses	<u>\$ 147,806</u>	<u>\$ 20,668</u>	<u>\$ 14,827</u>	<u>\$ 183,301</u>

	Program Services	Supporting Services		2020
		Management & General	Fundraising	
Outside contract services	\$ 30,480	\$ -	\$ -	\$ 30,480
Salaries and wages	81,726	14,126	11,430	107,281
Payroll taxes	6,405	1,076	870	8,352
Professional fees	8,910	1,439	-	10,349
Rent	5,483	921	746	7,150
Supplies	3,027	509	412	3,948
Clean Your Streams expense	-	-	-	-
Liability insurance	2,898	468	-	3,366
Telephone and telecommunications	1,859	300	-	2,159
Printing and copying	1,651	266	-	1,917
Postage and mailing service	139	22	-	161
Miscellaneous	464	-	-	464
Books, subscriptions and reference	133	21	-	154
Business registration fees	-	100	-	100
	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total functional expenses	\$ <u>143,175</u>	\$ <u>19,248</u>	\$ <u>13,458</u>	\$ <u>175,881</u>

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

PARTNERS FOR CLEAN STREAMS
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 34,526	\$ (15,477)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Grants receivable	14,339	(17,037)
Contributions receivable	-	(4,750)
(Decrease) Increase in:		
Accounts payable	2,506	7,380
Accrued wages	(626)	1,231
Net cash provided by (used in) operating activities	50,745	(28,653)
Net change in cash	50,745	(28,653)
Cash at beginning of year	59,450	88,103
Cash at end of year	\$ 110,195	\$ 59,450

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

PARTNERS FOR CLEAN STREAMS
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

Note A - Significant accounting policies

Nature of operations

Partners for Clean Streams (the “Organization”) strives for abundant open space and a high quality natural environment, adequate food water storage capacities and flourishing wildlife, stakeholders who take local ownership in their resources, and rivers, streams and lakes that are clean, clear and safe.

Basis of presentation

The Organization’s financial statements have been prepared on the accrual basis of accounting. Under this method of accounting, revenues and expenses are identified with a specific period of time and are recorded as incurred without regard to the date of receipt or the payment of cash.

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 currency on hand, demand deposits with banks, and investment instruments with initial maturities of three months or less. Cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2021 and 2020, the Organization did not have any uninsured cash balances.

Net asset categories

A description of the Organization’s net asset categories is as follows:

Net assets without donor restrictions – net assets without donor restrictions are those that are not subject to donor restrictions as to use or timing.

Net assets with donor restrictions – net assets with donor restrictions are subject to stipulations imposed by donors or 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 changes in net assets.

Income and other taxes

The Internal Revenue Service has determined that the Organization is qualified as a charity exempt under Section 501(c)(3) of the Internal Revenue Code and has also determined that the Organization is publicly supported. As a result, no provision for federal or state income taxes has been made.

FASB ASC 740, *Income Taxes*, requires entities to disclose in their financial statements the nature of any uncertainties in their tax position. Tax years including the year ended December 31, 2018 and later are subject to examination by tax authorities. Areas that IRS and state tax authorities consider when examining tax returns of a charity include, but may not be limited to, tax-exempt statutes and the existence and amount of unrelated business income. The Organization does not believe that it has any uncertain tax positions with respect to these or other matters and has not recorded any unrecognized tax benefits or liability for penalties or interest.

PARTNERS FOR CLEAN STREAMS
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

Note A - Significant accounting policies (continued)

New accounting pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This update requires that a lessee recognize assets and liabilities on the balance sheet for all leases with a lease term of more than twelve months, with the result being the recognition of a right to use asset and a lease liability. Recognition and presentation of expenses will depend on the classification of the lease as either finance or operating. For lessors, the guidance requires the separation of lease and non-lease components for certain contracts and redefines the scope of non-lease components to include maintenance services. When separated, non-lease components will be accounted for in accordance with revenue recognition guidance (ASC 606). ASU 2016-02 will also require quantitative and qualitative disclosures to supplement the amounts recorded in the financial statements to enable a better understanding of the Company's leasing activities. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019 and is to be applied retrospectively. As a result of the global pandemic, In May 2020, the FASB voted to defer the effective date for this ASU for private companies and non-profit organizations. The guidance will now be effective for fiscal years beginning after December 15, 2021. The Company is still evaluating the impact this update will have on its financial position and results of operations and related disclosures.

Functional allocation of expenses

The Organization allocates its expenses on a functional basis amongst its various programs and other activities. All of the Organization's allocated expenditures have been summarized on a functional basis in the statements of changes in net assets and in the statement of functional expenses. Directly identifiable expenses related to the mission of the Organization are charged to program expenses. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization and include those costs related to the internal management and accounting for program services.

Subsequent events

Subsequent events were evaluated through December 15, 2022, the date the financial statements were available to be issued.

Note B – Liquidity and availability of resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Statement of Financial Position, comprise the following:

	2021	2020
Cash and cash equivalents	\$ 110,195	\$ 59,450
Grants receivable	13,088	27,427
Accounts receivable	5,000	5,000
	<u>\$ 128,283</u>	<u>\$ 91,877</u>

As part of the Organization's liquidity management, if operating cash shortfalls occur, funds can be withdrawn from the savings account. The Organization does not have an available line of credit for such instances. Due to the nature of the Organization's cash flows, generally, reimbursements follow the cash outlay by the Organization, not leaving surplus funds.

PARTNERS FOR CLEAN STREAMS
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

Note C - Grants receivable

The grants receivable balance at December 31, 2021 represents funds receivable from Ohio Environmental Protection Agency and the U.S. Department of Commerce. Grants receivable at December 31, 2020 represents funds receivable from Ohio Environmental Protection Agency, Lucas County and The Nature Conservancy.

Note D – Lease commitments

The Organization rents its premises in Perrysburg, Ohio from an unrelated party under an operating lease agreement that expired in February 2018 and was renewed on a month-to-month basis through December 31, 2020. Rent expense was \$650 per month. In January, 2021, the Organization entered into a two year lease agreement for an office for which rent was \$330 per month plus an allocated share of utilities. Rent expense under both leases for the fiscal years ended December 31, 2021 and 2020 was \$8,563 and \$7,150, respectively. Future commitments on operating leases as of December 31, 2021 was as follows:

<u>December 31,</u>	Amount
2022	\$ 3,960
	<u>\$ 3,960</u>

Note E – Net assets with donor restrictions

Net assets with donor restrictions at December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Clean Your Streams	\$ 38,852	\$ 25,412
Environmental Protection Agency	4,365	-
The Nature Conservancy	-	4,274
Stranahan Foundation	35,000	35,000
Lake Erie Protection Fund	35,000	-
Total	<u>\$ 113,217</u>	<u>\$ 64,686</u>

Note F – Concentrations

During the years ending December 31, 2021 and 2020, one agency accounted for approximately 39% and 61% of revenues, respectively.