

FINANCIAL STATEMENTS

FRIENDS OF THE ST. CLAIR RIVER WATERSHED

DECEMBER 31, 2021

TABLE OF CONTENTS

	Page No.
INDEPENDENT ACCOUNTANT'S REVIEW REPORT.....	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	2
Statements of Activities.....	3
Statements of Functional Expenses.....	4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Friends of the St. Clair River Watershed
Port Huron, Michigan

We have reviewed the accompanying financial statements of Friends of the St. Clair River Watershed (a nonprofit organization) which comprise the statements of financial position as of December 31, 2021 and December 31, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity 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's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Friends of St. Clair River Watershed and to meet our other ethical responsibilities, in accordance with the relevant requirements related to our review.

Accountant's Conclusion

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 accordance with accounting principles generally accepted in the United States of America.

Austin, Niester, Schwehofer & Finnegan, P.C.

Certified Public Accountants

May 5, 2022
Port Huron, Michigan

FRIENDS OF THE ST. CLAIR RIVER WATERSHED

STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ <u>181,482</u>	\$ <u>128,679</u>
TOTAL ASSETS	\$ <u>181,482</u>	\$ <u>128,679</u>
 NET ASSETS		
Without donor restrictions	\$ <u>181,482</u>	\$ <u>128,679</u>
TOTAL NET ASSETS	\$ <u>181,482</u>	\$ <u>128,679</u>
 TOTAL LIABILITIES AND NET ASSETS	\$ <u>181,482</u>	\$ <u>128,679</u>

See accompanying notes.

FRIENDS OF THE ST. CLAIR RIVER WATERSHED

STATEMENTS OF ACTIVITIES

Years Ending December 31, 2021 and 2020

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES, GAINS, AND OTHER SUPPORT				
Contributions	\$ 72,988	\$	\$ 72,988	\$ 20,330
Program Services	201,455		201,455	61,009
Interest	12		12	237
Fundraiser-Net	19,514		19,514	19,841
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	293,969		293,969	101,417
EXPENSES				
Program services	211,274		211,274	65,083
Management and general	27,111		27,111	17,725
Fundraising	2,781		2,781	1,068
TOTAL EXPENSES	241,166		241,166	83,876
INCREASE IN NET ASSETS	52,803		52,803	17,541
NET ASSETS AT BEGINNING OF YEAR	128,679		128,679	111,138
NET ASSETS AT END OF YEAR \$	\$ 181,482	\$	\$ 181,482	\$ 128,679

FRIENDS OF THE ST. CLAIR RIVER WATERSHED

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ending December 31, 2021 and 2020

	2021							2020
	Program Services				Supporting Services			
	Habitat	PAC	BWTGI	SCCF	Administrative	Fundraising	Total	Total
Advertising	\$	\$	\$		\$	317	317	
Contract labor	79,825	3,770					83,595	50,030
E-mail		3,107					3,107	2,480
Printing		3,153				594	3,747	1,742
General & administrative	327		117,644	108	1,883	104	120,066	8,218
Swag & merchandise						234	234	216
Bus fee								172
Outreach					4,642		4,642	2,112
Education	537						537	2,488
Insurance					2,889		2,889	2,875
Rent					3,440	532	3,972	5,791
Training					2,829		2,829	657
Registration fee					2,059		2,059	1,380
Stationary					1,220		1,220	1,630
Fund raising expense					160		160	
Travel						1,000	1,000	
Meeting					24		24	1,823
Facilities					7,812		7,812	104
Bank fees					153		153	156
Computer costs				2,803			2,803	2,002
	\$ 80,689	\$ 10,030	\$ 117,644	\$ 2,911	\$ 27,111	\$ 2,781	\$ 241,166	\$ 83,876

See accompanying notes.

FRIENDS OF THE ST. CLAIR RIVER WATERSHED

STATEMENTS OF CASH FLOWS

Years Ending December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ <u>52,803</u>	\$ <u>17,541</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	52,803	17,541
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>128,679</u>	<u>111,138</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u>181,482</u>	\$ <u>128,679</u>

See accompanying notes.

FRIENDS OF THE ST. CLAIR RIVER WATERSHED

NOTES TO FINANCIAL STATEMENTS

Years Ending December 31, 2021 and 2020

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Friends of the St. Clair River Watershed (the Organization) by using citizen action through stewardship, monitoring and education to restore, protect and enhance the St. Clair River and its watersheds. They receive grant funds and do annual fundraising to support their efforts to preserve and improve the St. Clair River and its watersheds.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization. These services do not meet the criteria for recognition as contributed services. The organization received 1,779 volunteer hours from over 300 volunteers in 2021 at a value of \$50,000 and received 1,814 hours from over 125 volunteers in 2020 at a value of \$43,350.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without restrictions depending on the existence or nature of any donor restrictions.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Estimates

The preparation of financial statements in conformity with the 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.

Advertising

Advertising primarily consists of promoting their fundraising events and to inform the public on the current accomplishments of the Organization. The total advertising and outreach costs of \$4,959 and \$2,112 were incurred and expensed as of December 31, 2021 and 2020, respectively.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied.

FRIENDS OF THE ST. CLAIR RIVER WATERSHED

NOTES TO FINANCIAL STATEMENTS

Years Ending December 31, 2021 and 2020

NOTE B - CASH AND CASH EQUIVALENTS

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statement of financial position that sum to the amounts shown in the statement of cash flows:

	2021	2020
Cash and cash equivalents	\$ 181,482	\$ 128,679

NOTE C - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

There were no donor restricted amounts reported on the trial balance at December 31, 2021, see Note B of the financial statements. Financial assets available to meet cash needs for the general expenditure within one year was \$181,482. As part of the Organization's liquidity management, all financial assets are held as cash.

NOTE D - LEASES

The Organization has leased space from Eddy Development, LLC a non related party located at 301 N. Ninth St. St. Clair, Michigan. A two year lease has been signed beginning December 1, 2021 and continuing through November 30, 2023. The rate of rent for months 1-12 is \$1,000 per month and increases to \$1,150 per month for months 13-24. Utilities and internet costs are included in the monthly rent. Rent expense for 2021 was \$1,000.

The following is a schedule of the next 2 years of minimum rental payments as of December 31, 2021.

Period ending December 31, 2022	\$ 12,150.00
Period ending November 31, 2023	\$ 12,650.00

NOTE E - EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 5, 2022 the date which the financial statements were available to be issued

FRIENDS OF THE ST. CLAIR RIVER WATERSHED
ANALYTICAL PROCEDURES WORKSHEET

December 31, 2021, December 31, 2020, December 31, 2019, December 31, 2018

	PERIOD 12/31/21	PERIOD 12/31/20	PERIOD 12/31/19	PERIOD 12/31/18	
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VARIABLES					

QUICK ASSETS= CA- MONEY MARKET	181,482	128,678	111,137	65,997	
CURRENT LIABILITIES	0	0	0	0	
CURRENT YEAR REVENUE	293,969	101,417	143,992	102,700	
PRIOR YEAR REVENUE	101,417	143,992	102,700	168,697	
OPERATING EXPENSES	241,166	83,877	83,545	48,888	
TOTAL ASSETS	181,482	128,678	111,137	65,997	

PROCEDURES					

1 CURRENT RATIO CA/CL	0.0000	0.0000	0.0000	0.0000	Consistent with prior year Entity has no liabilities
2 ACID-TEST RATIO	0.0000	0.0000	0.0000	0.0000	Consistent with prior year Entity has no liabilities
3 RETURN ON TOTAL ASSETS	0.00%	0.00%	0.00%	0.00%	Only liquid assets
4 OPERATING EXPENSES AS PERCENTAGE OF REVENUES	82.04%	82.71%	58.02%	34.77%	Within normal range Depends on funding received.