

**Partners For Clean Streams**

**FINANCIAL STATEMENTS**

**Years Ended December 31, 2014 and 2013**

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INDEPENDENT AUDITORS' REPORT

Board of Directors  
Partners for Clean Streams  
Perrysburg, Ohio

**Report on the Financial Statements**

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, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

***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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

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, 2014 and 2013, 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.

## ***Other Matters***

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2015, on our consideration of Partners for Clean Streams' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Partners for Clean Streams' internal control over financial reporting and compliance.

*DeMarco & Associates CPAs LLC*

Perrysburg, Ohio  
September 21, 2015

**PARTNERS FOR CLEAN STREAMS**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2014 and 2013**

ASSETS

	2014	2013
Current assets		
Cash	\$ 227,863	\$ 177,992
Grants receivable	32,888	188,479
Total assets	\$ 260,751	\$ 366,471

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 52,053	\$ 162,800
Accrued wages	4,589	7,980
Total current liabilities	56,642	170,780
Net assets		
Unrestricted	187,644	160,635
Temporarily restricted	16,465	35,056
Total net assets	204,109	195,691
Total liabilities and net assets	\$ 260,751	\$ 366,471

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

**PARTNERS FOR CLEAN STREAMS**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended December 31, 2014 and 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014 Total</u>
Support and revenue			
Grants	\$ 32,888	\$ 514,894	\$ 530,949
Donations	17,247	-	17,247
Net assets released from restrictions	533,485	(533,485)	-
Total support and revenue	<u>566,787</u>	<u>(18,591)</u>	<u>548,196</u>
Functional expenses			
Program services	481,895	-	481,895
Supporting services			
Management and general	42,044	-	42,044
Fundraising	15,854	-	15,854
Total operating expenses	<u>539,793</u>	<u>-</u>	<u>539,793</u>
Change in operating net assets	26,994	(18,591)	8,403
Other income			
Interest income	<u>15</u>	<u>-</u>	<u>15</u>
Change in net assets	27,009	(18,591)	8,418
Net assets beginning of year	<u>160,635</u>	<u>35,056</u>	<u>195,691</u>
Net assets end of year	<u>\$ 187,644</u>	<u>\$ 16,465</u>	<u>\$ 204,109</u>

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2013 Totals</u>
Support and revenue			
Grants	\$ 32,888	\$ 925,170	\$ 934,797
Donations	22,728	-	22,728
Net assets released from restrictions	<u>935,252</u>	<u>(935,252)</u>	<u>-</u>
Total support and revenue	967,607	(10,082)	957,525
Operating expenses			
Program services	849,247	-	849,247
Supporting services			
Management and general	36,082	-	36,082
Fundraising	<u>9,596</u>	<u>-</u>	<u>9,596</u>
Total operating expenses	<u>894,925</u>	<u>-</u>	<u>894,925</u>
Change in operating net assets	72,682	(10,082)	62,600
Other income			
Interest income	<u>36</u>	<u>-</u>	<u>36</u>
Change in net assets	72,718	(10,082)	62,636
Net assets beginning of year	<u>87,917</u>	<u>45,138</u>	<u>133,055</u>
Net assets end of year	<u>\$ 160,635</u>	<u>\$ 35,056</u>	<u>\$ 195,691</u>

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

**PARTNERS FOR CLEAN STREAMS**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Years Ended December 31, 2014 and 2013**

	Program Expenses	Supporting Services		2014
		Management & General	Fundraising	
	32888			
Outside contract services	\$ 338,374	\$ -	\$ -	\$ 338,374
Salaries and wages	104,578	16,571	12,989	134,138
Payroll taxes	9,838	1,555	1,219	12,612
Professional fees	-	9,520	-	9,520
Rent	6,539	1,034	810	8,383
Supplies	10,365	1,919	512	12,796
Clean Your Streams expense	6,090	-	-	6,090
Libility insurance	2,662	3,528	-	6,190
Telephone and telecommunications	389	2,530	324	3,243
Conferences, conventions and meetings	701	2,484	-	3,185
Printing and copying	594	2,105	-	2,699
Postage and mailing service	61	217	-	278
Travel and meetings	-	346	-	346
Miscellaneous	1,704	-	-	1,704
Books, subscriptions and reference	-	135	-	135
Business registration fees	-	100	-	100
<b>Total functional expenses</b>	<b>\$ 481,895</b>	<b>\$ 42,044</b>	<b>\$ 15,854</b>	<b>\$ 539,793</b>



	Supporting Services			2013
	Program Services	Management & General	Fundraising	
Outside contract services	\$ 652,011	\$ -	\$ -	\$ 652,011
Salaries and wages	155,907	10,895	7,923	174,725
Payroll taxes	15,598	1,103	802	17,503
Professional fees	-	9,325	-	9,325
Rent	7,628	534	388	8,550
Supplies	6,880	1,274	340	8,494
Clean Your Streams expense	6,035	-	-	6,035
Libility insurance	2,544	3,330	-	5,874
Telephone and telecommunications	537	2,900	143	3,580
Conferences, conventions and meetings	735	2,742	-	3,477
Printing and copying	532	2,033	-	2,565
Postage and mailing service	262	857	-	1,119
Travel and meetings	-	607	-	607
Miscellaneous	578	-	-	578
Books, subscriptions and reference	-	382	-	382
Business registration fees	-	100	-	100
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total functional expenses	\$ <u>849,247</u>	\$ <u>36,082</u>	\$ <u>9,596</u>	\$ <u>894,925</u>

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

**PARTNERS FOR CLEAN STREAMS**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2014 and 2013**

	2014	2013
Cash flows from operating activities		
Change in net assets	\$ 8,418	\$ 62,636
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Grants receivable	155,591	(162,749)
Prepays	-	600
(Increase) decrease in:		
Account payable	(110,747)	161,088
Accrued wages	(3,391)	2,692
Net cash provided by operating activities	49,871	64,267
Net increase in cash	49,871	64,267
Cash at beginning of year	177,992	113,725
Cash at end of year	\$ 227,863	\$ 177,992

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

**PARTNERS FOR CLEAN STREAMS**  
**NOTES TO THE FINANCIAL STATEMENTS**

**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, 2014 and 2013, the Organization did not have any uninsured cash balances.

Net asset categories

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

Unrestricted net assets – unrestricted net assets are those that bear no external restrictions as to use or purpose.

Temporarily restricted net assets – temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose.

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, 2011 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.

The Organization is not aware of any circumstances or events that make it reasonably possible that tax benefits may increase or decrease within 12 months of the date these financial statements.

**PARTNERS FOR CLEAN STREAMS  
NOTES TO THE FINANCIAL STATEMENTS**

**Note A - Significant accounting policies (continued)**

Reclassifications

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

Subsequent events

Subsequent events were evaluated through September 21, 2015, the date the financial statements were issued.

**Note B - Grants receivable**

The grants receivable balance at December 31, 2014 and 2013 represents Environmental Protection Agency and National Oceanic and Atmospheric Administration funded expenditures.

**Note C – Lease commitments**

The Organization rents its premises in Perrysburg, Ohio from an unrelated party under an operating lease agreement expiring in February 2015. Rent expense is \$650 per month. Rent expense under this operating lease for fiscal years ended December 31, 2014 and 2013 was \$7,800 in both years. Future minimum lease payments under this lease are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2015	\$ 1,300

**Note D – Temporarily restricted net assets**

Temporarily restricted net assets at December 31, 2014 consisted of the following:

	<u>2014</u>
Toledo Community Foundation – Stranahan Grant	\$ 11,024
National Marine Sanctuary	5,441
Total	<u>\$ 16,465</u>
	<u>2013</u>
Toledo Community Foundation – Anderson’s Grant	\$ 8,320
Toledo Community Foundation – Stranahan Grant	17,000
Clean Your Streams	9,736
Total	<u>\$ 35,056</u>