

Partners For Clean Streams

FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-8



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Partners for Clean Streams

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, 2015 and 2014, 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. Those standards require that we plan and perform the audit 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, 2015 and 2014, 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.

DeMarco & Associates CPAs LLC

Perrysburg, Ohio
November 21, 2016

**PARTNERS FOR CLEAN STREAMS
STATEMENTS OF FINANCIAL POSITION**

December 31, 2015 and 2014

ASSETS

	2015	2014
Current assets		
Cash	\$ 169,348	\$ 227,863
Grants receivable	28,762	32,888
Total assets	\$ 198,110	\$ 260,751

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 1,251	\$ 52,053
Accrued wages	1,856	4,589
Total current liabilities	3,107	56,642
Net assets		
Unrestricted	179,860	187,644
Temporarily restricted	15,143	16,465
Total net assets	195,003	204,109
Total liabilities and net assets	\$ 198,110	\$ 260,751

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

PARTNERS FOR CLEAN STREAMS
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2015 and 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>
Support and revenue			
Grants	\$ 14,210	\$ 168,967	\$ 183,177
Donations	23,807	-	23,807
Net assets released from restrictions	170,289	(170,289)	-
Total support and revenue	<u>208,306</u>	<u>(1,322)</u>	<u>206,984</u>
Functional expenses			
Program services	176,024	-	176,024
Supporting services			
Management and general	23,558	-	23,558
Fundraising	16,515	-	16,515
Total operating expenses	<u>216,097</u>	<u>-</u>	<u>216,097</u>
Change in operating net assets	(7,791)	(1,322)	(9,113)
Other income			
Interest income	<u>7</u>	<u>-</u>	<u>7</u>
Change in net assets	(7,784)	(1,322)	(9,106)
Net assets beginning of year	<u>187,644</u>	<u>16,465</u>	<u>204,109</u>
Net assets end of year	<u>\$ 179,860</u>	<u>\$ 15,143</u>	<u>\$ 195,003</u>

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014 Totals</u>
Support and revenue			
Grants	\$ 16,055	\$ 514,894	\$ 530,949
Donations	17,247	-	17,247
Net assets released from restrictions	<u>533,485</u>	<u>(533,485)</u>	<u>-</u>
Total support and revenue	566,787	(18,591)	548,196
Operating expenses			
Program services	481,895	-	481,895
Supporting services			
Management and general	42,044	-	42,044
Fundraising	<u>15,854</u>	<u>-</u>	<u>15,854</u>
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>

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

PARTNERS FOR CLEAN STREAMS
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2015 and 2014

	Program Expenses	Supporting Services		2015
		Management & General	Fundraising	
Outside contract services	\$ 32,243	\$ -	\$ -	\$ 32,243
Salaries and wages	96,122	16,614	13,443	126,179
Payroll taxes	9,639	1,620	1,311	12,570
Professional fees	7,908	1,277	-	9,185
Rent	6,660	1,119	906	8,685
Supplies	6,285	1,056	855	8,196
Clean Your Streams expense	6,365	-	-	6,365
Libility insurance	5,139	830	-	5,969
Telephone and telecommunications	1,955	316	-	2,271
Conferences, conventions and meetings	224	36	-	260
Printing and copying	3,259	526	-	3,785
Postage and mailing service	399	64	-	463
Travel and meetings	-	-	-	-
Miscellaneous	(174)	-	-	(174)
Books, subscriptions and reference	-	-	-	-
Business registration fees	-	100	-	100
Total functional expenses	\$ 176,024	\$ 23,558	\$ 16,515	\$ 216,097

	<u>Supporting Services</u>			<u>2014</u>
	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	
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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total functional expenses	<u>\$ 481,895</u>	<u>\$ 42,044</u>	<u>\$ 15,854</u>	<u>\$ 539,793</u>

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

PARTNERS FOR CLEAN STREAMS
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Change in net assets	\$ (9,106)	\$ 8,418
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Decrease in:		
Grants receivable	4,126	155,591
(Decrease) in:		
Account payable	(50,802)	(110,747)
Accrued wages	(2,733)	(3,391)
Net cash provided by (used in) operating activities	(58,515)	49,871
Net increase (decrease) in cash	(58,515)	49,871
Cash at beginning of year	227,863	177,992
Cash at end of year	\$ 169,348	\$ 227,863

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

**PARTNERS FOR CLEAN STREAMS
NOTES TO 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, 2015 and 2014, 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, 2012 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 FINANCIAL STATEMENTS**

Note A - Significant accounting policies (continued)

Subsequent events

Subsequent events were evaluated through November 21, 2016, the date the financial statements were issued.

Note B - Grants receivable

The grants receivable balance at December 31, 2015 represents funds receivable from Ohio Environmental Protection Agency. Grants receivable at December 31, 2014 represents funds receivable from Ohio Environmental Protection Agency and National Oceanic and Atmospheric Administration.

Note C – Lease commitments

The Organization rents its premises in Perrysburg, Ohio from an unrelated party under an operating lease agreement that expired in February 2015 with a clause to extend on a yearly basis for up to three years. Rent expense is \$650 per month. Rent expense under this operating lease for fiscal years ended December 31, 2015 and 2014 was \$7,800 in both years. Future minimum lease payments under this lease are as follows:

Year Ending December 31	Amount
2016	\$ 1,300

Note D – Temporarily restricted net assets

Temporarily restricted net assets at December 31, 2015 and 2014 consisted of the following:

	2015
Clean Your Streams	\$ 14,788
National Marine Sanctuary	355
Total	\$ 15,143
	2014
Toledo Community Foundation – Stranahan Grant	\$ 11,024
National Marine Sanctuary	5,441
Total	\$ 16,465

Note E – Concentrations

During the years ending December 31, 2015 and 2014, two agencies accounted for approximately 93% and 77% of revenues, respectively.