

**PARTNERS FOR CLEAN STREAMS**  
**FINANCIAL STATEMENTS**  
**Years Ended December 31, 2017 and 2016**

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## 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, 2017 and 2016, 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, 2017 and 2016, 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  
January 22, 2019

**PARTNERS FOR CLEAN STREAMS**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2017 and 2016**

ASSETS

	2017	2016
Current assets		
Cash	\$ 83,987	\$ 123,496
Receivables:		
Grants	21,826	17,759
Contributions	5,000	6,000
Total assets	\$ 110,813	\$ 147,255

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 1,148	\$ 10,884
Accrued wages	1,896	1,503
Total current liabilities	3,044	12,387
Net assets		
Unrestricted	101,421	126,366
Temporarily restricted	6,348	8,502
Total net assets	107,769	134,868
Total liabilities and net assets	\$ 110,813	\$ 147,255

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

**PARTNERS FOR CLEAN STREAMS**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended December 31, 2017 and 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>
Support and revenue			
Grants	\$ 15,326	\$ 98,246	\$ 113,572
Donations	32,231	6,000	38,231
Net assets released from restrictions	106,400	(106,400)	-
Total support and revenue	<u>153,957</u>	<u>(2,154)</u>	<u>151,803</u>
Functional expenses			
Program services	146,763	-	146,763
Supporting services			
Management and general	18,842	-	18,842
Fundraising	13,303	-	13,303
Total operating expenses	<u>178,907</u>	<u>-</u>	<u>178,907</u>
Change in operating net assets	(24,950)	(2,154)	(27,104)
Other income			
Interest income	<u>5</u>	<u>-</u>	<u>5</u>
Change in net assets	(24,945)	(2,154)	(27,099)
Net assets beginning of year	<u>126,366</u>	<u>8,502</u>	<u>134,868</u>
Net assets end of year	<u>\$ 101,421</u>	<u>\$ 6,348</u>	<u>\$ 107,769</u>

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Totals</u>
Support and revenue			
Grants	\$ 8,932	\$ 74,099	\$ 83,031
Donations	28,473	10,000	38,473
Net assets released from restrictions	90,740	(90,740)	-
Total support and revenue	<u>128,145</u>	<u>(6,641)</u>	<u>121,504</u>
Operating expenses			
Program services	146,346	-	146,346
Supporting services			
Management and general	21,181	-	21,181
Fundraising	14,119	-	14,119
Total operating expenses	<u>181,646</u>	<u>-</u>	<u>181,646</u>
Change in operating net assets	(53,501)	(6,641)	(60,142)
Other income			
Interest income	<u>7</u>	<u>-</u>	<u>7</u>
Change in net assets	(53,494)	(6,641)	(60,135)
Net assets beginning of year	<u>179,860</u>	<u>15,143</u>	<u>195,003</u>
Net assets end of year	<u>\$ 126,366</u>	<u>\$ 8,502</u>	<u>\$ 134,868</u>

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

**PARTNERS FOR CLEAN STREAMS**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Years Ended December 31, 2017 and 2016**

	Program Expenses	Supporting Services		2017
		Management & General	Fundraising	
Outside contract services	\$ 28,491	\$ -	\$ -	\$ 28,491
Salaries and wages	78,396	13,550	10,964	102,910
Payroll taxes	7,439	1,250	1,012	9,701
Professional fees	2,053	332	-	2,385
Rent	6,350	1,067	864	8,281
Supplies	3,406	572	463	4,441
Clean Your Streams expense	8,561	-	-	8,561
Liability insurance	4,873	787	-	5,660
Telephone and telecommunications	2,387	386	-	2,773
Conferences, conventions and meetings	2,443	393	-	2,836
Printing and copying	896	145	-	1,041
Postage and mailing service	344	55	-	399
Travel and meetings	78	12	-	90
Miscellaneous	625	-	-	625
Books, subscriptions and reference	420	68	-	488
Business registration fees	-	225	-	225
<b>Total functional expenses</b>	<b>\$ 146,763</b>	<b>\$ 18,842</b>	<b>\$ 13,303</b>	<b>\$ 178,907</b>

	Program Services	Supporting Services		2016
		Management & General	Fundraising	
Outside contract services	\$ 18,856	\$ -	\$ -	\$ 18,856
Salaries and wages	84,246	14,561	11,782	110,590
Payroll taxes	7,063	1,187	961	9,211
Professional fees	7,727	1,248	-	8,975
Rent	6,797	1,142	925	8,864
Supplies	3,320	558	452	4,330
Clean Your Streams expense	4,750	-	-	4,750
Liability insurance	5,204	841	-	6,045
Telephone and telecommunications	2,564	415	-	2,979
Conferences, conventions and meetings	2,909	467	-	3,376
Printing and copying	3,642	588	-	4,230
Postage and mailing service	402	64	-	466
Travel and meetings	598	96	-	694
Miscellaneous	(1,820)	-	-	(1,820)
Books, subscriptions and reference	86	14	-	100
Business registration fees	-	-	-	-
Total functional expenses	<u>\$ 146,346</u>	<u>\$ 21,181</u>	<u>\$ 14,119</u>	<u>\$ 181,646</u>

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



**PARTNERS FOR CLEAN STREAMS**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2017 and 2016**

	2017	2016
Cash flows from operating activities		
Change in net assets	\$ (27,099)	\$ (60,135)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Grants receivable	(4,067)	11,003
Contributions receivable	1,000	(6,000)
(Decrease) Increase in:		
Accounts payable	(9,736)	9,633
Accrued wages	393	(353)
Net cash used in operating activities	(39,509)	(45,852)
Net decrease in cash	(39,509)	(45,852)
Cash at beginning of year	123,496	169,348
Cash at end of year	\$ 83,987	\$ 123,496

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

**PARTNERS FOR CLEAN STREAMS**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017 and 2016**

**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, 2017 and 2016, 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, 2014 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  
December 31, 2017 and 2016**

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

New accounting pronouncement

In August 2016, the Financial Accounting Standards Board (“FASB”) issued an update to Not-for-Profit accounting to help charities, foundations, universities and other Not-for-Profit groups better tell their “financial story”. The Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities, deals largely with financial statement presentation issues such as how organizations convey how they spend and invest their resources. The standard requires an organization to classify their assets into two categories, those with donor restrictions and those without. The update also aims to enhance information about an organization’s expenses through a new expense analysis that shows expenses broken down by nature and function. Further, the update will require organizations to provide information that shows how they manage their access to cash over the next twelve months and retain liquidity. The update goes into effect for financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted. We are currently evaluating the impact of adopting the standard on our financial statements and have not yet determined the method by which we will adopt the standard.

Subsequent events

Subsequent events were evaluated through January 22, 2019, the date the financial statements were issued.

**Note B - Grants receivable**

The grants receivable balance at December 31, 2017 represents funds receivable from Ohio Environmental Protection Agency. Grants receivable at December 31, 2016 represents funds receivable from Ohio Environmental Protection Agency and National Fish and Wildlife Foundation.

**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, 2017 and 2016 was \$7,800 in both years. Future minimum lease payments under this lease are as follows:

Year Ending December 31	Amount
2018	\$ 1,300

**Note D – Temporarily restricted net assets**

Temporarily restricted net assets at December 31, 2017 and 2016 consisted of the following:

	2017
Clean Your Streams	\$ 6,348
Total	\$ 6,348

**PARTNERS FOR CLEAN STREAMS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017 and 2016**

**Note D – Temporarily restricted net assets (continued)**

	2016
Clean Your Streams	\$ 5,125
Mott Foundation	3,377
Total	\$ <u>8,502</u>

**Note E – Concentrations**

During the years ending December 31, 2017 and 2016, two agencies accounted for approximately 54% and 46% of revenues, respectively.