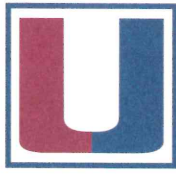


WOONASQUATUCKET RIVER WATERSHED COUNCIL
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

**WOONASQUATUCKET RIVER WATERSHED COUNCIL
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

CONTENTS

	<u>Page</u>
Independent Accountants' Review Report	1
Financial statements:	
Statement of financial position	2
Statement of activities	3
Statement of functional expenses	4 -5
Statement of cash flows	6
Notes to financial statements	7-17



UCRAN & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS ADVISORS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Trustees
Woonasquatucket River Watershed Council
Providence, Rhode Island 02908

We have reviewed the accompanying statement of financial position of the Woonasquatucket River Watershed Council (a non-profit corporation) as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 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. Accordingly, we do not express such an opinion.

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements for them to be in accordance with 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 Woonasquatucket River Watershed Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

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

Ucran & Company, LLC

Ucran & Company, LLC
Greenville, RI
November 2, 2022

Smithfield Office

651 Putnam Pike, Greenville, RI 02828
Office 401-349-5300 • Fax 401-349-5322

Ucran & Company LLC

www.UCRANCPA.com

Warwick Office

2181 Post Road, Warwick, RI 02886
Office 401-921-0902 • Fax 401-921-0967

**WOONASQUATUCKET RIVER WATERSHED COUNCIL
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021**

ASSETS	Assets Without Restrictions	Assets With Restrictions	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 547,944	\$ 201,501	\$ 749,445
Accounts receivable	330,456	-	330,456
Prepaid expenses	5,294	-	5,294
Beneficial interest in assets held by others	-	353,354	353,354
Total current assets	883,694	554,855	1,438,549
Property and equipment, net	13,822	-	13,822
Total assets	\$ 897,516	\$ 554,855	\$ 1,452,371
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	\$ 12,530	\$ -	\$ 12,530
Accrued payroll and related liabilities	40,979	-	40,979
Accrued vacation	21,260	-	21,260
Accrued interest	6,639	-	6,639
Deferred revenue	94,538	-	94,538
Economic Injury Disaster Loan, short term	3,554	-	3,554
Total current liabilities	179,500	-	179,500
Economic Injury Disaster Loan, long term	146,446	-	146,446
Total liabilities	325,946	-	325,946
Net assets	571,570	554,855	1,126,425
Total liabilities and net assets	\$ 897,516	\$ 554,855	\$ 1,452,371

WOONASQUATUCKET RIVER WATERSHED COUNCIL
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Assets Without Restrictions	Assets With Restrictions	Total
Operating revenue and support			
Grants	\$ 799,447	\$ 302,448	\$ 1,101,895
Program income	72,907	-	72,907
Contributions and donations	201,168	-	201,168
In-kind contributions	22,740	-	22,740
Realized and unrealized gain on investments	16,829	47,744	64,573
Interest income	8,115	-	8,115
Other income	11,664	-	11,664
Assets released from restriction	278,420	(278,420)	-
	<u>1,411,290</u>	<u>71,772</u>	<u>1,483,062</u>
Total operating revenue and support			
Operating expenses			
Program services	1,019,596	-	1,019,596
Support services	200,866	-	200,866
	<u>1,220,462</u>	<u>-</u>	<u>1,220,462</u>
Total operating expenses			
Excess of revenue over expenses.	190,828	71,772	262,600
Net assets, beginning of year	184,492	483,083	667,575
Paycheck Protection Program Loan - Forgiveness	196,250	-	196,250
Net assets, end of year	<u>\$ 571,570</u>	<u>\$ 554,855</u>	<u>\$ 1,126,425</u>

WOONASQUATUCKET RIVER WATERSHED COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services							Total Program Services	
	Bike Program	Community Programs and Engagement	Development	Education	Grant Writing	Greenway and Bike Path	Recreation		Restoration
Expenses									
Program Costs (Expenses)	6,940	-	-	-	-	15,800	-	-	22,740
Contract Labor	-	11,513	-	-	-	3,000	100	27,036	41,649
Equipment Rental	3,415	-	-	-	-	2,515	-	-	5,930
Program Supplies	10,548	3,323	8,925	8,838	-	57,384	357	12,752	102,127
Equipment Insurance	-	-	-	-	-	507	-	-	507
Travel/Field Trips	-	-	-	-	-	-	-	445	445
Repair & Maintenance	-	-	-	-	-	2,209	184	-	2,393
Other Programmatic Costs	-	-	-	55	-	-	-	-	55
Professional Fees	125	15,120	1,500	1,000	-	11,700	300	9,749	39,494
Subgrantee	-	12,485	-	5,250	-	-	-	-	17,735
Water Quality Monitoring	-	-	-	2,600	-	-	-	-	2,600
Stipends	-	12,137	-	-	-	-	-	-	12,137
Gas	132	6	-	-	-	4,802	-	-	4,940
Payroll Expenses Staff and Salary	41,194	28,663	47,804	52,541	4,496	178,801	23,765	3,527	380,791
Payroll Expenses	20,725	22,472	21,273	18,911	4,945	72,681	4,635	3,856	169,498
Personnel Terracorps	-	17,986	-	550	-	-	-	709	19,245
Payroll Taxes	6,423	7,210	6,359	7,908	1,022	26,093	2,890	666	58,571
Payroll Processing Fees	-	-	-	382	-	382	-	764	1,528
Health & Dental Insurance	5,304	4,220	-	3,120	-	12,563	-	950	26,157
Pension	857	1,113	1,006	947	-	2,639	-	-	6,562
Workers Comp Ins	1,726	1,726	-	1,726	-	6,903	-	3,451	15,532
Professional Fees	730	730	31,000	730	-	730	-	730	34,650
Operating Expenses	-	-	-	-	-	-	-	-	-
Professional/Staff Development	64	143	-	914	-	64	-	301	1,486
Advertising	-	-	-	-	-	237	-	-	237
Technical Support	266	152	-	152	-	329	-	152	1,051
D&O Insurance	232	232	-	232	-	232	-	232	1,160
Audit/Review	1,972	1,972	-	1,972	-	1,972	-	1,972	9,860
Fees/Dues/Subscriptions	362	367	312	308	7	681	-	947	2,984
Bank Fees	10	-	-	-	-	200	-	56	266
Office Supplies	5	43	65	5	-	5	-	5	128
Postage	-	-	1,467	11	-	13	-	-	1,491
Transportation & Mileage	1,512	-	3	420	-	-	27	611	2,573
Meetings and Conferences	90	390	3,578	90	-	169	43	2,087	6,447
Rent	1,744	2,457	-	2,457	-	1,843	-	2,027	10,528
Utilities	169	169	-	169	-	169	-	169	845
Web Services	-	-	-	428	-	-	-	-	428
Telephone/Fax/Internet	453	453	321	453	-	453	-	453	2,586
Auto/Property/Business Insurance	1,610	1,610	-	1,610	-	1,610	-	1,610	8,050
Fundraising/Development	-	-	4,157	-	-	-	-	-	4,157
Depreciation Expense	-	-	-	-	-	-	-	-	-
Interest Expense-Other	-	-	-	-	-	-	-	-	-
PayPal Fees	-	-	33	-	-	-	-	-	33
Total Expenses	106,608	146,692	127,803	113,779	10,470	406,686	32,301	75,257	1,019,596

WOONASQUATUCKET RIVER WATERSHED COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

Expenses	Support Services				Total 2021
	Fundraising		General and Administration		
	Fundraising	Administration	Total Support Services	Total Program Services	
Program Costs (Expenses)	-	-	-	22,740	22,740
Contract Labor	-	-	-	41,649	41,649
Equipment Rental	-	-	-	5,930	5,930
Program Supplies	-	6,666	-	102,127	108,793
Equipment Insurance	-	-	-	507	507
Travel/Field Trips	-	-	-	445	445
Repair & Maintenance	-	-	-	2,393	2,393
Other Programmatic Costs	-	-	-	55	55
Professional Fees	-	-	-	39,494	39,494
Subgrantee	-	-	-	17,735	17,735
Water Quality Monitoring	-	-	-	2,600	2,600
Stipends	-	-	-	12,137	12,137
Gas	-	-	-	4,940	4,940
Payroll Expenses Staff and Salary	9,600	46,345	55,945	380,791	436,736
Payroll Expenses	-	49,855	49,855	169,498	219,353
Personnel Terracorps	-	-	-	19,245	19,245
Payroll Taxes	734	7,624	8,358	58,571	66,929
Payroll Processing Fees	-	1,734	1,734	1,528	3,262
Health & Dental Insurance	-	25,220	25,220	26,157	51,377
Pension	192	(6,162)	(5,970)	6,562	592
Workers Comp Ins	-	5,595	5,595	15,532	21,127
Professional Fees	-	4,116	4,116	34,650	38,766
Operating Expenses	-	-	-	-	-
Professional/Staff Development	-	1,355	1,355	1,486	2,841
Advertising	-	-	-	237	237
Technical Support	-	3,712	3,712	1,051	4,763
D&O Insurance	-	386	386	1,160	1,546
Audit/Review	-	3,287	3,287	9,860	13,147
Fees/Dues/Subscriptions	-	2,004	2,004	2,984	4,988
Bank Fees	-	4,584	4,584	266	4,850
Office Supplies	-	(17)	(17)	128	111
Postage	-	727	727	1,491	2,218
Transportation & Mileage	-	487	487	2,573	3,060
Meetings and Conferences	-	2,510	2,510	6,447	8,957
Rent	-	10,537	10,537	10,528	21,065
Utilities	-	781	781	845	1,626
Web Services	-	1,373	1,373	428	1,801
Telephone/Fax/Internet	-	1,400	1,400	2,586	3,986
Auto/Property/Business Insurance	-	4,799	4,799	8,050	12,849
Fundraising/Development	-	-	-	4,157	4,157
Depreciation Expense	-	3,854	3,854	-	3,854
Interest Expense-Other	-	7,601	7,601	-	7,601
PayPal Fees	-	(33)	(33)	33	-
Total Expenses	10,526	190,340	200,866	1,019,596	1,220,462

WOONASQUATUCKET RIVER WATERSHED COUNCIL
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

	Assets Without Restrictions	Assets With Restrictions	Total
Cash flows from operating activities:			
Excess of revenue over expenses	\$ 190,828	\$ 71,772	\$ 262,600
Adjustments to reconcile excess of expenses over revenues to net cash provided (used) by operating activities:			
Depreciation and amortization	3,853	-	3,853
Unrealized gain on investments	-	(47,744)	(47,744)
Changes in:			
Grants and accounts receivable	(4,633)	-	(4,633)
Prepaid expenses	(1,329)	-	(1,329)
Accounts payable	(28,800)	-	(28,800)
Accrued payroll liabilities	11,725	-	11,725
Accrued vacation	3,172	-	3,172
Accrued interest	4,233	-	4,233
Deferred revenue	(5,462)	-	(5,462)
Net cash provided by operating activities	173,587	24,028	197,615
Cash flows from investing activities:			
Acquisition of property and equipment	(7,263)	-	(7,263)
Cash flows from financing activities			
Payments on-RI Infrastructure Note	(338,417)	-	(338,417)
Proceeds from Paycheck Protection Program Loan (PPP2)	98,125	-	98,125
Net cash used by financing activities	(240,292)	-	(240,292)
Net change in cash	(73,968)	24,028	(49,940)
Cash, beginning of year	621,912	177,473	799,385
Cash, end of year	\$ 547,944	\$ 201,501	\$ 749,445
Noncash investing and financing activities:			
Forgiveness of Paycheck Protection Program Loan (PPP1)	\$ 196,250		\$ 196,250
Supplemental disclosures:			
Interest paid	\$ 6,639		\$ 6,639

**WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 1- DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

The Woonasquatucket River Watershed Council (the Council) is a nonprofit Rhode Island corporation exempt from federal and state income taxes as a public charity under section 501(c)(3) of the Internal Revenue Code. The Council creates positive environmental, social and economic change by revitalizing the Woonasquatucket River, its Greenway and its communities. The Council is headquartered in Providence, Rhode Island.

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting and have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without restrictions - net assets not subject to donor-imposed restrictions.

Net assets with restrictions - net assets subject to donor-imposed restrictions that will be met either by actions of the Council or the passage of time and net assets subject to donor-imposed restrictions that must be maintained permanently by the Council.

All donor-restricted support is reported as an increase in net assets with restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Restrictions are not reported on the financial statements if the restriction is met within the year that the support is received.

Promises to Give

Unconditional promises to give, less an allowance for uncollectible amounts, are recognized as revenue in the period received and increases in assets, decreases of liabilities, or as expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. As of December 31, 2021, there have been no unconditional or conditional promises to give.

Cash and Cash Equivalents

Cash consists of cash on hand and monies held in checking and savings accounts. The Council had cash equivalents of \$243,377 at December 31, 2021.

**WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 1- DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Accounts Receivable

Grants and accounts receivable consist principally of program service fees receivable. The Council maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its grantors to make required payments. Management considers the following factors when determining the collectability of grants and accounts receivable: past transaction history, current economic trends, and changes in payment terms. Based on management's assessment, the Council provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Council has made reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grants and accounts receivable. Management reviews the account balances for collectability and records an allowance for doubtful accounts based on historical information and current economic trends. No allowance was recorded at December 31, 2021, as management has deemed all balances to be fully collectible.

Property and Equipment

The Council maintains a policy in which all acquisitions of property and equipment over \$500 are capitalized. Property and equipment are carried at cost if purchased or, if donated, at the fair value at the date of the gift. Depreciation is computed using the straight-line method over lives ranging from 5 to 39 years. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the statement of activities for the period. The cost of maintenance and repairs are expensed as incurred; significant renewals and betterments are capitalized.

The Council evaluates long-lived assets held and used for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognized if the sum of the expected undiscounted future cash flows from the use and disposition of the asset is less than its carrying amount. Generally, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the estimated fair value of the asset. The Council did not record any impairment losses during the year ended December 31, 2021.

Equipment acquired with grant funds in which the Council does not retain legal title is recorded as revenue and expense. The Council does not record such equipment as a contribution and related asset since the Council has determined that it is not probable that it will retain the asset at the end of the related grant program. The grant agreements also set forth certain limitations relating to the incurrence of liens and the disposal or transfer of property and equipment. The cost of building and improvements funded through other grants is recorded as property and equipment and as contribution revenue since the Council has legal title to the respective building and improvements.

WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 1- DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Goods and Services

The Council records donated goods and services at fair market value at date of donation in accordance with accounting profession guidelines. The Council recorded \$22,740 of donated goods or services during 2021.

Fair Value of Financial Instruments

The carrying amount of grants and accounts receivable, prepaid expenses, accounts payable and accrued expenses, and accrued payroll approximates fair value due to their short-term nature.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contract and Grant Revenue Recognition

Contract and grant revenue is recognized when earned as the Council fulfills the terms accompanying award of such funds. Revenue received, but not earned, is classified as a liability or as net assets with restrictions on the financial statements depending upon terms and conditions.

Functional Allocation of Expenses

Expenses are categorized as program services and support services (management and general) on a specific identification basis where practical and on a percentage allocation method based on management's judgment where specific identification is not practical.

Advertising Costs

Advertising costs are expensed as incurred and included in support services. Advertising expenses totaled \$237 for the year ended December 31, 2021.

**WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 1- DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Council is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Council may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Council and various positions related to the potential sources of unrelated business taxable income. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended December 31, 2021. The Council is generally no longer subject to examination by the Internal Revenue Service for tax years before 2018. There are currently no examinations pending or in progress.

NOTE 2 - ACCOUNTS RECEIVABLE

The balance of accounts receivable at December 31, 2021 consists of:

United States Environmental Protection Agency	\$	32,995
Providence Public School System Cares		20,000
Rhode Island Housing Community Development		1,956
Environmental Council of Rhode Island		4,150
Restore America’s Estuaries- SNEP Greening the Greenway		27,574
Rhode Island Department of Transportation (RIDOT)		218,636
Other		<u>25,145</u>
Total Accounts Receivable	\$	<u>330,456</u>

NOTE 3 – FAIR VALUE MEASUREMENTS

GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are described as follows:

WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)

Basis of Fair Value Measurement

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Council has the ability to access.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Council's investments at fair value totaling \$353,354 consist of beneficial interest in assets held by others. All of the investments at December 31, 2021 fall within Level 3 of the fair value hierarchy.

The following methods and assumptions were used by the Council in estimation of the fair value of its financial instruments:

Beneficial Interest in Assets Held by Others

These assets are pooled with other assets held by a financial institution and are invested primarily in securities with quoted prices in active markets. Net gain or loss on these assets is determined by the overall performance of the financial institutions' endowment pool.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Council believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a reconciliation of activity for the year ended December 31, 2021 for the beneficial interest in assets held by others, assets measured at fair value based on unobservable inputs:

Balance, beginning of year	\$ 305,610
Interest and dividend	800
Change in unrealized/realized gain on investments	62,105
Fees	(2,683)
Grants disbursed	<u>(12,478)</u>
Balance, end of year	<u>\$ 353,354</u>

Change in net unrealized gains for the year ended December 31, 2021 of \$64,573 are reported in the Statement of Activities as a component of changes in net assets with restrictions.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2021:

Computers and Equipment	\$ 45,399
Vehicle	36,510
Canoe and Trailer	4,005
Donated Furniture and Equipment	<u>8,592</u>
Total Property and Equipment	94,506
Less: accumulated depreciation	<u>80,684</u>
Property and equipment, net	<u>\$ 13,822</u>

Depreciation expense for the year ended December 31, 2021 was \$3,854.

NOTE 5 – LINE OF CREDIT- RHODE ISLAND INFRASTRUCTURE BANK

The Council entered a \$300,000 Non-Restoring Line of Credit Promissory Note with Rhode Island Infrastructure Bank in April 2019 to finance a Project¹. The Note bears interest at 0% and is secured by payments made to the Council by the RIDOT and RIDEM under the State Agreement. Quarterly payments were to begin July 2019, however subject to the borrower’s receipt of funds from RIDOT or RIDEM. At December 31, 2021 there was no outstanding balance on the note.

¹ Project is defined by two agreements: Stormwater Retrofits to Green the Greenway Construction and Maintenance Agreement between the Council and Rhode Island Department of Transportation (RIDOT Agreement) and the Stormwater Improvements and Pedestrian Walkway at Citizens Bank Agreement between the Council and Rhode Island Department of Environmental Management (RIDEM Agreement), collectively “State Agreement”.

**WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 6 - FORGIVABLE LOANS RECEIVED UNDER THE SMALL BUSINESS ADMINISTRATION PAYCHECK PROTECTION PROGRAM

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans.

In May 2020, the Council obtained a PPP loan (PPP1) for \$98,125. The Council used all the proceeds from the note for qualifying expenses and received approval of its application for loan forgiveness on March 17, 2021.

In February 2021, the Council obtained a second PPP loan (PPP2) for \$98,125. The Council used all the proceeds from the note for qualifying expenses and received approval of its application for loan forgiveness on August 23, 2021.

NOTE 7- ECONOMIC INJURY DISASTER LOAN (EIDL)

During 2020 the SBA began offering low interest long term federal disaster loans for working capital for organizations suffering substantial economic injury as a result of the COVID 19 pandemic. On June 2, 2020, the Council entered into a loan agreement with the US Small Business Administration in the amount of \$150,000. The note matures on June 2, 2050 and bears interest at the rate of 2.75%. Installment payments of \$641 including principal and interest were to begin on June 2, 2021 however the SBA extended repayments for 18 months until December 2022. The council opted to begin making bi-monthly payments in November 2021. Accrued interest at December 31, 2021 totaled \$6,639.

Future scheduled maturities are as follows:

Years ending December 31:	
2022	\$ 3,554
2023	3,653
2024	3,755
2025	3,859
2026	3,952
Thereafter	<u>131,227</u>
 Total	 <u>\$ 150,000</u>

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Lease for Office Space

The Council leases office space under an operating lease which expires on August 31, 2022. Monthly rent from September 1, 2021 through August 31, 2022 is \$1,625. The Council is also required to make additional monthly payments of \$125 for utilities.

Minimum annual rent due under the lease is \$13,000 for the year ended December 31, 2021.

**WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Line of Credit

The Council has a line of credit with a local financial institution. This line of credit allows for maximum borrowings of \$84,000 at an interest rate of 5.5%. There was no balance due on this line at December 31, 2021.

Contract Audits

The Council received governmental funding under contracts whereby the performance of the Council is subject to audit or review by the funding source at the discretion of the funding source. To date, no such audits or reviews have been performed and none are pending. Management believes that any such audits or reviews would not materially impact the financial statements.

NOTE 9 – NET ASSETS

The Council has net assets without restrictions, comprised of operating funds for general activities and funds invested in property and equipment, totaling \$174,492 at December 31, 2021.

The Council has the following Net Assets with restrictions at December 31, 2021:

Costal Resources Management Council – Hillside Streambank Restoration	\$ 48,691
Costal Resources Management Council – San Souci Planting	16,900
Cox Communications	4,837
Fred Lippitt Endowment	353,354
REI	3,984
Nordson	77
Providence Journal Charitable Legacy Fund	3,906
United Way - OV Community Funds	23,898
Green Infrastructure Coalition	2,047
New England Grassroots Environmental Fund	6,000
San Souci	14,920
Kelson Foundation	5,148
CLF Concrete	10,873
City of Providence - Bike Camp	2,500
Rhode Island After School Network - United Way	15,000
Rhode Island Foundation - Flood Resilience Planning	36,720
Rhode Island Foundation - Watergrass	6,000
	<hr/>
Total Net Assets with restrictions	<u>\$ 554,855</u>

**WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 9 – NET ASSETS (CONTINUED)

Net assets released from restrictions during the year ended December 31, 2021 consist of the following:

Costal Resources Management Council – Hillside	
Streambank Restoration	\$ 9,309
REI	6,016
June Rockwell Levy	27,000
Banspach Memorial Fund	1,220
Cricket Foundation	10,000
Ocean State Charities	3,900
Nordson	6,260
Rivers Council Pass Through	4,292
Rhode Island Foundation	5,094
Providence Journal Charitable Legacy Fund	11,094
United Way - OV Community Funds	51,102
Green Infrastructure Coalition	10,035
Providence After School Alliance	1,275
Pawtucket Credit Union	1,500
New England Grassroots Environmental Fund	518
United States Environmental Protection Agency – Environmental Education	1,950
Garden Club	238
Ranger Enterprise	20,369
Recreation	1,406
RI Commerce	12,205
San Souci	4,659
Social Enterprise Greenhouse	2,490
Brown Rudnick Charitable Foundation	1,790
Kelson Foundation	15,025
Red Shed Program	2,102
Capital Fund	32,264
CLF Concrete	29,127
Rhode Island Foundation - Flood Resilience Planning	3,280
Rhode Island Foundation - Watergrass	2,900
	<u>\$ 278,420</u>

An endowment fund has been established at Rhode Island Foundation for the support of the Council. The fund is named the Fred Lippitt Endowment Fund for the Woonasquatucket River Watershed and was established in May 2005 via a gift that was valued at \$282,540 at December 31, 2021. The endowment fund corpus is held as an asset by the Rhode Island Foundation.

**WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 9 – NET ASSETS (CONTINUED)

During 2008, the Fred Lippitt Endowment Fund transferred funds to another Fred Lippitt Endowment Fund for the Woonasquatucket River Watershed. The value of the fund at December 31, 2021 was \$70,814. The endowment fund corpus is held as an asset by the Rhode Island Foundation.

NOTE 10 – FUNDRAISING ACTIVITIES

Fundraising income and expenses for the year ended December 31, 2021 are as follows:

Event	Income	Expense	Net
401 Gives	13,491	35	13,456
Annual Appeal	45,559	8,667	36,892
Lisa 25/25	25,823	924	24,899
Small Events less than \$5,000	12,315	900	11,415
Total	\$ 97,188	\$ 10,526	\$ 86,662

NOTE 11 – RETIREMENT PLAN

The Council maintains a defined-contribution SIMPLE IRA retirement plan for eligible employees. Participants are 100% vested in contributions to the plan made on their behalf. Retirement expense for 2021 was \$9,345.

NOTE 12 – RISKS AND UNCERTAINTIES

Concentration of Credit Risk

Financial instrument that subject the council to potential concentrations of credit risk consist principally of cash. The council maintain cash balances in banks, which may at times exceed federally insured limits. The Council has not experienced any losses in such account and believes it is not exposed to any significant credit risk on cash balances.

Concentration of Funding

The Council received \$523,233 and \$144,426 from the RIDOT and USEPA during the year ended December 31, 2021, respectively. Payments from the RIDOT and USEPA represent approximately 47% and 13% of all funding received during 2021, respectively. The Council did not have any other sources of funding that represented more than 10% of public support during the year ended December 31, 2021.

**WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 13 – SUBSEQUENT EVENTS

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through November 2, 2022 the date the financial statements were available to be issued.