

WOONASQUATUCKET RIVER WATERSHED COUNCIL

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

**WOONASQUATUCKET RIVER WATERSHED COUNCIL
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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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, 2022, 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
May 15, 2024

WOONASQUATUCKET RIVER WATERSHED COUNCIL
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	Assets Without Restrictions	Assets With Restrictions	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 390,253	\$ 316,924	\$ 707,177
Accounts receivable	458,035	-	458,035
Prepaid expenses	5,410		5,410
Beneficial interest in assets held by others	-	299,804	299,804
	853,698	616,728	1,470,426
Property and equipment, net	9,855	-	9,855
Accounts receivable (non-current)	58,641	-	58,641
	\$ 922,194	\$ 616,728	\$ 1,538,922
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	\$ 23,385	\$ -	\$ 23,385
Accrued payroll and related liabilities	41,004	-	41,004
Accrued vacation	24,595	-	24,595
Accrued interest	1,045	-	1,045
Deferred revenue (current)	25,000	-	25,000
Economic Injury Disaster Loan, short term	2,538		2,538
Total current liabilities	117,567	-	117,567
Deferred revenue (non-current)	25,000	-	25,000
Economic Injury Disaster Loan, long term	147,462	-	147,462
	290,029	-	290,029
Net assets	632,165	616,728	1,248,893
	\$ 922,194	\$ 616,728	\$ 1,538,922

See Accompanying Notes and Independent Accountants' Review Report.

WOONASQUATUCKET RIVER WATERSHED COUNCIL
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Assets Without Restrictions	Assets With Restrictions	Total
Operating revenue and support			
Grants	\$ 871,369	\$ 418,644	\$ 1,290,013
Program income	121,440	-	121,440
Contributions and donations	190,568	-	190,568
In-kind contributions	98,709	-	98,709
Realized and unrealized loss on investments	(51,065)	(38,083)	(89,148)
Interest income	4,749	709	5,458
Other income	1,855	-	1,855
Assets released from restriction	316,384	(316,384)	-
	1,554,009	64,886	1,618,895
Operating expenses			
Program services	1,165,065	-	1,165,065
Support services	328,349	3,013	331,362
	1,493,414	3,013	1,496,427
Excess of revenue over expenses.	60,595	61,873	122,468
Net assets, beginning of year	571,570	554,855	1,126,425
Net assets, end of year	\$ 632,165	\$ 616,728	\$ 1,248,893

WOONASQUATUCKET RIVER WATERSHED COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

Program Services

	Bicycle Programs	Community Programs & Engagement	Development	Education	Greenway & Bike Path	Other Program Services	Total Program Services
Expenses:							
Program Costs (Expenses)							
Program Supplies	\$ 31,858	\$ 26,020	\$ 3,233	\$ 6,832	\$ 52,705	\$ 5,695	\$ 126,343
Insurance	245	-	-	942	3,062	551	4,800
Equipment Insurance	-	-	-	-	352	-	352
Travel/Field Trips	-	910	-	193	25	5,358	6,486
Repairs & Maintenance	-	-	-	-	8,595	-	8,595
Professional Fees	-	34,894	3,700	750	18,165	6,485	63,994
Subgrantee	-	7,066	-	125	-	-	7,191
Printing	-	-	225	-	-	-	225
Water Quality Monitoring	-	-	-	2,700	-	-	2,700
Personnel Terracops	-	12,429	-	9,529	11,029	-	32,987
Stipends	-	10,650	-	468	-	-	11,118
Gas	70	-	-	-	6,364	-	6,434
In-Kind Expense	10,900	-	-	-	74,018	-	84,918
Total Program Costs (Expenses)	43,073	91,969	7,158	21,539	174,315	18,089	356,143
Payroll and Benefits Expenses							
Payroll Expenses	75,986	70,177	67,924	72,578	309,131	55,185	650,981
Payroll Taxes	7,195	8,891	7,737	8,023	28,872	5,640	66,358
Payroll Processing Fees	-	383	-	3,610	176	-	4,169
Healths & Dental	4,542	1,862	-	-	15,296	-	21,700
Pension	1,865	1,010	1,408	1,698	3,871	-	9,852
Workers Comp Ins	-	2,021	-	16	1,967	-	4,004
Total Payroll and Benefits Expenses	89,588	84,344	77,069	85,925	359,313	60,825	757,064
Professional Fees							
Operating Expenses	-	-	13,875	531	-	-	14,406
Professional/Staff Development	-	164	419	40	300	174	1,097
Advertising	900	495	-	-	1,208	-	2,603
Technical Support	-	-	-	1,823	976	-	2,799
Fees/Dues Fees/Dues/Subscriptions	356	294	4,042	321	2,577	505	8,095
Bank Fees	-	-	-	-	140	-	140
Postage	-	-	1,337	-	18	-	1,355
Transportations & Mileage	-	9	-	-	-	492	501
Meetings and Conferences	-	-	99	-	69	3,714	3,882
Rent	6,998	2,808	-	1,513	1,588	2,612	15,519
Web Services	-	-	-	-	-	588	588
Telephone/Fax Telephone/Fax/Internet	-	-	-	145	-	-	145
Fundraising/Development	-	-	728	-	-	-	728
Total Operating Expenses	8,254	3,770	6,625	3,842	6,876	8,085	37,452
Total Expenses	\$ 140,915	\$ 180,083	\$ 104,727	\$ 111,837	\$ 540,504	\$ 86,999	\$ 1,165,065

WOONASQUATUCKET RIVER WATERSHED COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

Management & Administrative Services

	Fundraising	Grant Writing	Management & Administrative	Total Admin & Support
Expenses:				
Program Costs (Expenses)				
Program Supplies	\$ 3,568	\$ -	\$ 2,516	\$ 6,084
Professional Fees	6,164	-	-	6,164
Stipends	100	-	-	100
In-Kind Expense	-	-	13,791	13,791
Total Program Costs (Expenses)	9,832	-	16,307	26,139
Payroll and Benefits Expenses				
Payroll Expenses Staff and Salary	-	-	-	-
Payroll Expenses	1,340	31,722	162,910	195,972
Payroll Taxes	-	3,133	17,835	20,968
Payroll Processing Fees	-	-	675	675
Vacation Accrual	-	-	3,335	3,335
Healths & Dental	-	-	35,805	35,805
Workers Comp Ins	-	-	2,970	2,970
Total Payroll and Benefits Expenses	1,340	34,855	223,530	259,725
Professional Fees	-	-	-	-
Operating Expenses				
Professional/Staff Development	-	-	250	250
Technical Support	-	-	198	198
Audit/Review	-	-	4,110	4,110
Bank Fees	-	-	4,528	4,528
Office Supplies	-	-	506	506
Postage	29	-	332	361
Transportations & Mileage	-	-	258	258
Meetings and Conferences	-	-	1,853	1,853
Rent	-	-	2,232	2,232
Utilities	-	-	1,500	1,500
Web Services	-	-	2,482	2,482
Telephone/Fax Telephone/Fax/Internet	-	-	3,568	3,568
Auto/Property/Business Insuranc	-	-	10,948	10,948
Depreciation Expense	-	-	3,967	3,967
Interest Expense Expense-Other	-	-	8,737	8,737
Total Operating Expenses	29	-	45,469	45,498
Total Expenses	\$ 11,201	\$ 34,855	\$ 285,306	\$ 331,362

WOONASQUATUCKET RIVER WATERSHED COUNCIL
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

	Assets Without Restrictions	Assets With Restrictions	Total
Cash flows from operating activities:			
Excess of revenue over expenses	\$ 60,595	\$ 61,873	\$ 122,468
Adjustments to reconcile excess of revenues over expenses to net cash provided (used) by operating activities:			
Depreciation and amortization	3,967	-	3,967
Unrealized (gain) loss on investments	-	39,225	39,225
Changes in:			
Grants and accounts receivable	(186,220)	-	(186,220)
Prepaid expenses	(116)	-	(116)
Beneficial interest in assets held by others	-	14,325	14,325
Accounts payable	10,855	-	10,855
Accrued payroll and related liabilities	25	-	25
Accrued vacation	3,335	-	3,335
Accrued interest expense	(5,594)	-	(5,594)
Deferred revenue	(44,538)	-	(44,538)
Net cash provided (used) by operating activities	<u>(157,691)</u>	<u>115,423</u>	<u>(42,268)</u>
Cash flows from investing activities:			
Acquisition of property and equipment	-	-	-
Cash flows from financing activities			
Payments on Economic Injury Disaster Loan	-	-	-
Net cash used by financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net change in cash	(157,691)	115,423	(42,268)
Cash, beginning of year	<u>547,944</u>	<u>201,501</u>	<u>749,445</u>
Cash, end of year	<u>\$ 390,253</u>	<u>\$ 316,924</u>	<u>\$ 707,177</u>
Supplemental disclosures:			
Interest paid	<u>\$ 8,737</u>	<u>\$ 8,737</u>	<u>\$ 8,737</u>

WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

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, 2022, 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 \$245,617 at December 31, 2022.

WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

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, 2022, 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, 2022.

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, 2022

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 \$98,709 of donated goods or services during 2022.

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 is in conformity with accounting principles generally accepted in the United States of America. These standards require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingencies at the date of the financial statements. Such estimates also affect 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. When specific identification is not practical, the percentage allocation method based on management's judgment is used.

Advertising Costs

Advertising costs are expensed as incurred and included in support services. Advertising expenses totaled \$2,603 for the year ended December 31, 2022.

**WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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, 2022. There are currently no examinations pending or in progress.

NOTE 2 - ACCOUNTS RECEIVABLE

The balance of accounts receivable at December 31, 2022 consists of:

United States Environmental Protection Agency	\$	77,432
Rhode Island Department of Environmental Management		38,252
Rhode Island Commerce		26,056
Rhode Island Department of Transportation (RIDOT)		320,091
Other (accounts less than \$10,000)		<u>54,845</u>
 Total Accounts Receivable	 \$	 <u>516,676</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, 2022**

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.

The Council's investments at fair value totaling \$299,804 consist of beneficial interest in assets held by others. All of the investments at December 31, 2022 fall within Level 1 of the fair value hierarchy.

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 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, 2022**

NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a reconciliation of activity for the year ended December 31, 2022 for the beneficial interest in assets held by others, assets measured at fair value based on observable inputs:

Balance, beginning of year	\$ 353,354
Interest and dividend	709
Change in unrealized/realized gain on investments	(38,083)
Fees	(3,013)
Grants disbursed	<u>(13,163)</u>
Balance, end of year	<u>\$ 299,804</u>

Change in net unrealized losses for the year ended December 31, 2022 of \$39,225 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, 2022:

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>84,651</u>
Property and equipment, net	<u>\$ 9,855</u>

Depreciation expense for the year ended December 31, 2022 was \$3,967.

NOTE 5 – LINE OF CREDIT- RHODE ISLAND INFRASTRUCTURE BANK

The Council entered into 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

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, 2022**

NOTE 5 – LINE OF CREDIT- RHODE ISLAND INFRASTRUCTURE BANK (CONTINUED)

payments were to begin July 2019, however subject to the borrower’s receipt of funds from RIDOT or RIDEM. At December 31, 2022 there was no outstanding balance on the note.

NOTE 6 - 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, 2022 totaled \$1,045.

Future scheduled maturities are as follows:

Years ending December 31:		
2023	\$	2,538
2024		3,683
2025		3,786
2026		3,891
2027		3,999
Thereafter		<u>132,103</u>
Total	\$	<u>150,000</u>

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Lease for Office Space

The Council leases office space under an operating lease which expires on August 31, 2023. Monthly rent from September 1, 2022 through August 31, 2023 is \$1,625. The Council is also required to make additional monthly payments of \$125 for utilities.

Future minimum lease payments due under the lease are \$13,000. Upon completion of the current lease term, the Council expects to renew its lease for office space at substantially similar terms.

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 of credit at December 31, 2022.

WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

NOTE 7 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 8 – NET ASSETS

The Council has net assets without restrictions, comprised of operating funds for general activities and funds invested in property and equipment, totaling \$632,165 at December 31, 2022.

The Council has the following Net Assets with restrictions at December 31, 2022. Individual balances of less than \$10,000 are represented in “Other net assets with restrictions.”

Coastal Resources Management Council – Manton Streambank Restoration	\$ 50,094
Coastal Resources Management Council – Coastal Habitat Trust	49,583
Fred Lippitt Endowment	299,804
United Way - OV Community Funds	11,852
Anneburg Foundation	23,418
San Souci – City of Providence	14,929
Kelson Foundation	88,685
Outride Bike Program	12,924
Other net assets with restrictions	<u>65,439</u>
Total net assets with restrictions	<u>\$ 616,728</u>

Net assets released from restrictions during the year ended December 31, 2022 consist of the following. Individual balances released from restrictions of less than \$10,000 are represented in “Other net assets released from restrictions.”

United Way OV Community Funds	\$ 87,046
The RI Foundation – Financial Resiliency	36,720
June Rockwell Levy	15,077
Rhode Island Afterschool Network	15,000
Fred Lippitt Endowment Fund	13,162
REI	12,609
Outride Bike Program	11,282
Papitto Foundation	11,216
Other net assets released from restrictions	<u>114,272</u>
Total net assets released from restrictions	<u>\$ 316,384</u>

**WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

NOTE 8 – NET ASSETS (CONTINUED)

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 \$239,718 at December 31, 2022. The endowment fund corpus is held as an asset by the Rhode Island Foundation.

During 2008, the Fred Lippitt Endowment Fund (A) transferred funds to a second Fred Lippitt Endowment Fund (D) for the Woonasquatucket River Watershed. The value of the fund at December 31, 2022 was \$60,086. The endowment fund corpus is held as an asset by the Rhode Island Foundation.

NOTE 9 – FUNDRAISING ACTIVITIES

Fundraising income and expenses for the year ended December 31, 2022 are as follows:

Event	Income	Expense	Net
401 Gives	11,418	0	11,418
End of Year Prospects	31,932	7,000	24,932
Greenway Naming Event	28,500	1,000	27,500
Silent Art Auction	5,062	500	4,562
Small Events less than \$5,000	7,657	2,250	5,407
Total	<u>\$84,569</u>	<u>\$ 10,750</u>	<u>\$ 73,819</u>

NOTE 10 – 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 2022 was \$9,852.

NOTE 11 – RISKS AND UNCERTAINTIES

Concentration of Credit Risk

Financial instruments 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 and believes it is not exposed to any significant credit risk on cash balances.

Concentration of Funding

The Council received \$380,506 and \$141,559 from the RIDOT and US EPA during the year ended December 31, 2022, respectively. Payments from the RIDOT and USEPA represent approximately 36% and 13% of all funding received during 2022, 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, 2022.

**WOONASQUATUCKET RIVER WATERSHED COUNCIL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

NOTE 12 – SUBSEQUENT EVENTS

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through May 15, 2024 the date the financial statements were available to be issued.