rkl ADVISORS for WHAT'S NEXT

Watershed Alliance of York

Financial Statements

(Compiled)

December 31, 2025 and 2024

Watershed Alliance of York

Table of Contents
December 31, 2025 and 2024

	Page
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities	3 and 4
Statement of Changes in Net Assets	5
Statement of Functional Expenses - by Natural Classification	6 and 7
Statement of Cash Flows	8
Notes to Financial Statements	9 to 13

rkl ADVISORS for WHAT'S NEXT

Independent Accountant's Compilation Report

To the Board of Directors
Watershed Alliance of York
York, Pennsylvania

Management is responsible for the accompanying financial statements of Watershed Alliance of York (WAY), which comprise the statement of financial position as of December 31, 2025 and 2024, and the related statements of activities, changes in net assets, functional expenses - by natural classification, and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

RKL LLP

May 29, 2026
York, Pennsylvania

3501 Concord Road, Suite 250, York, PA 17402 717.843.3804 717.854.0533 rklcpa.com

Watershed Alliance of York

Statement of Financial Position
See Independent Accountant's Compilation Report

	December 31, 2025	2024
Assets		
Current Assets		
Cash	**$ 93,422**	$ 34,636
Grants receivable	**12,145**	-
Restricted cash	**158,638**	217,248
Total Assets	**$ 264,205**	$ 251,884
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	**$ 20,846**	$ -
Accrued payroll and payroll taxes	**576**	-
Deferred grant revenue	**119,749**	180,796
Total Liabilities	**141,171**	180,796
Net Assets		
Without donor restrictions	**84,145**	34,636
With donor restrictions	**38,889**	36,452
Total Net Assets	**123,034**	71,088
Total Liabilities and Net Assets	**$ 264,205**	$ 251,884

Watershed Alliance of York

Statement of Activities

See Independent Accountant's Compilation Report

	Year Ended December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Grant income	$ 1,867,546	$ 38,887	$ 1,906,433
Sponsorship income	10,286	-	10,286
Contributions	4,439	-	4,439
Interest income	3,387	-	3,387
Net assets released from restriction	36,450	(36,450)	-
Total Support and Revenue	1,922,108	2,437	1,924,545
Expenses			
Program services	1,858,309	-	1,858,309
Supporting services			
Management and general	14,190	-	14,190
Fundraising	100	-	100
Total Expenses	1,872,599	-	1,872,599
Changes in Net Assets	$ 49,509	$ 2,437	$ 51,946

See accompanying notes.

Watershed Alliance of York

Statement of Activities (continued)

See Independent Accountant's Compilation Report

	Year Ended December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Grant income	$ 578,831	$ 36,000	$ 614,831
Sponsorship income	11,700	-	11,700
Contributions	2,679	294	2,973
Interest income	4,939	-	4,939
Net assets released from restriction	1,874	(1,874)	-
Total Support and Revenue	600,023	34,420	634,443
Expenses			
Program services	597,261	-	597,261
Supporting services			
Management and general	8,463	-	8,463
Fundraising	600	-	600
Total Expenses	606,324	-	606,324
Changes in Net Assets	$ (6,301)	$ 34,420	$ 28,119

See accompanying notes.

Watershed Alliance of York

Statement of Changes in Net Assets
See Independent Accountant's Compilation Report

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets at December 31, 2023	$ 40,937	$ 2,032	$ 42,969
Changes in net assets	(6,301)	34,420	28,119
Net Assets at December 31, 2024	34,636	36,452	71,088
Changes in net assets	**49,509**	**2,437**	**51,946**
Net Assets at December 31, 2025	**$ 84,145**	**$ 38,889**	**$ 123,034**

See accompanying notes.

Watershed Alliance of York

Statement of Functional Expenses - by Natural Classification
See Independent Accountant's Compilation Report

	Year Ended December 31, 2025			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Project implementation	$ 1,783,564	$ -	$ -	$ 1,783,564
Salaries	64,615	-	-	64,615
Professional fees	-	12,410	-	12,410
Payroll taxes and benefits	9,241	-	-	9,241
Office expenses	-	1,399	-	1,399
Insurance	889	-	-	889
Advertising and marketing	-	381	-	381
Fundraising	-	-	100	100
Fishing derby	-	-	-	-
	$ 1,858,309	$ 14,190	$ 100	$ 1,872,599

Watershed Alliance of York

Statement of Functional Expenses - by Natural Classification (continued)
See Independent Accountant's Compilation Report

	Year Ended December 31, 2024			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Project implementation	$ 592,705	$ -	$ -	$ 592,705
Salaries	-	-	-	-
Professional fees	-	7,509	-	7,509
Payroll taxes and benefits	-	-	-	-
Office expenses	-	662	-	662
Insurance	892	-	-	892
Advertising and marketing	105	292	-	397
Fundraising	-	-	600	600
Fishing derby	3,559	-	-	3,559
	$ 597,261	$ 8,463	$ 600	$ 606,324

Watershed Alliance of York

Statement of Cash Flows
See Independent Accountant's Compilation Report

	Years Ended December 31, 2025	2024
Cash Flows from Operating Activities		
Changes in net assets	**$ 51,946**	$ 28,119
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Increase in assets		
Grants receivable	**(12,145)**	-
Increase (decrease) in liabilities		
Accounts payable	**20,846**	(45,000)
Accrued payroll and payroll taxes	**576**	-
Deferred grant revenue	**(61,047)**	(87,319)
Net Cash Provided by (Used in) Operating Activities	**176**	(104,200)
Net Increase (Decrease) in Cash	**176**	(104,200)
Cash at Beginning of Year	**251,884**	356,084
Cash at End of Year	**$ 252,060**	$ 251,884
Cash is Comprised of the Following on the Statement of Financial Position		
Cash	**$ 93,422**	$ 34,636
Restricted cash	**158,638**	217,248
	$ 252,060	$ 251,884

Note 1 - Nature of Operations

Watershed Alliance of York (a Pennsylvania non-profit corporation) (WAY) was founded in 2001 to improve York County's water, making it cleaner and healthier for all. WAY's primary program activities include project implementation (such as stream restoration, dam removal, freshwater mussel restoration, research and conservation, water quality monitoring, and watershed forestry) and education and outreach. WAY's primary sources of revenue are grant income, sponsorships, and contributions.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Grants Receivable

Grants receivable as of December 31, 2025 are reported at amounts management expects to collect on balances outstanding at year-end. If collection becomes doubtful, an allowance for credit losses will be established, or the accounts will be charged to revenue when that determination is made by management. Management regularly evaluates individual accounts based on past experience, aging of the receivables, adverse situations that may affect a granting agency's ability to pay, current economic conditions, and other relevant factors. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts and grants receivable are recorded to revenue when received. At December 31, 2025, WAY considers all grants receivable to be fully collectible, and no credit losses are expected. As such, at December 31, 2025, no allowance for credit losses was recorded.

Note 2 - Summary of Significant Accounting Policies (continued)

Restricted Cash

During the year ended December 31, 2023, WAY received a grant award from the Susquehanna River Basin Commission in the amount of $1,500,000. The funds are to be expended for a project in the South Branch of Codorus Creek Watershed, York, Pennsylvania. During the year ended December 31, 2023, WAY received $375,000 of advanced working capital related to this award for use in accordance with the project guidelines. No additional grant funds were received during the years ended December 31, 2025 and 2024. As of December 31, 2025 and 2024, unexpended cash related to this award classified as restricted cash amounted to $119,749 and $180,796, respectively.

Additionally, as of December 31, 2025 and 2024, WAY has restricted cash in the amount of $38,889 and $36,452, respectively, subject to donor-imposed stipulations that is restricted for a specified purpose (refer to Note 6).

Net Assets

Net assets of WAY and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and are available for general operating purposes. From time to time, the Board of Directors may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. As of December 31, 2025 and 2024, WAY did not have any board-designated amounts.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that are restricted for a specified purpose or passage of time or are restricted in perpetuity.

Revenue Recognition

Grants

Grant revenue deemed to be a contribution is classified as support with donor restrictions when received or receivable. Such grant revenue is not deemed to be in respect of exchange transactions, since the proceeds thereof are non-reciprocal, unconditional, and voluntary.

Grant revenue deemed to be in respect of exchange transactions is classified as support without donor restrictions or deferred revenue, as appropriate, when received or receivable. Such grant revenue is not deemed to be a contribution since the proceeds thereof are used to pursue objectives of the grantor.

Sponsorships

Sponsorship income represents funding received in support of events hosted by WAY, the most significant being the annual Watershed Week. Sponsorships collected by WAY in advance are initially recorded as liabilities (deferred revenue) and recognized as special event income after delivery of the event.

Note 2 - Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Contributions

WAY recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

All contributions are considered to be available for operations unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as support with donor restrictions that increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, WAY reports the support as support without donor restrictions.

Donated or Contributed Investments, Services, or Materials

Donated or contributed investments, services, or materials meeting the criteria for recognition are reflected in the financial statements as in-kind contributions at their estimated value on the date of receipt. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at the fair value when received. Management has determined there were no significant in-kind contributions during the years ended December 31, 2025 and 2024.

Advertising Costs

Advertising costs are expensed as incurred.

Functional Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities and in the statement of functional expenses - by natural classification. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Supporting services consist of management and general and fundraising expenses. Expenses of WAY are directly attributable to either program or supporting services; therefore, no costs are allocated between the programs and supporting services benefited.

Note 3 - Income Taxes

WAY is a not-for-profit entity described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from income taxes on related activities pursuant to Section 509(a) of the Code. In addition, WAY was organized under the Pennsylvania Nonprofit Corporation Law and is exempt from state income taxes. WAY is subject to Federal income tax on net income derived from unrelated business activities, if any.

Note 3 - Income Taxes (continued)

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by WAY, including whether the entity is exempt from income taxes. Management evaluated the tax positions taken and concluded that WAY had taken no uncertain tax positions that require recognition or disclosure in the financial statements. With few exceptions, WAY is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities for years before December 31, 2022.

Note 4 - Concentrations and Credit Risk

At times during the years ended December 31, 2025 and 2024, WAY's cash balance may have exceeded the federally insured limit of $250,000.

During the years ended December 31, 2025 and 2024, WAY recognized grant income from one and two funding sources, which accounted for approximately 80% and 83%, respectively, of its total support and revenue.

Note 5 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor restrictions or other designations limiting their use, within one year of the date of the statement of financial position, comprise the following as of December 31:

	2025	2024
Financial Assets		
Cash	**$ 93,422**	$ 34,636
Grants receivable	**12,145**	-
Restricted cash	**158,638**	217,248
Total Financial Assets	**264,205**	251,884
Less Amounts that are Internally Designated or Externally Restricted		
Restricted cash	**(158,638)**	(217,248)
Financial Assets Available to be Used Within One Year	**$ 105,567**	$ 34,636

As part of WAY's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Note 6 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31:

	2025	2024
Subject to expenditure for a specified purpose		
Restricted cash - personnel costs	**$ 32,887**	$ 35,000
Restricted cash - professional fees	**5,000**	-
Restricted cash - S2C Project	**1,002**	1,452
	$ 38,889	$ 36,452

Note 7 - Contingencies

WAY participates in state and federally assisted grant programs. These programs are subject to certain compliance requirements imposed by the grantors or their respective oversight agencies. WAY is potentially liable for any expenses, which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance, which would result in the disallowance of program expenses.

Note 8 - Subsequent Events

WAY has evaluated subsequent events through May 29, 2026. This date is the date the financial statements were available to be issued. No material events subsequent to December 31, 2025 were noted.