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Watershed Alliance of York

Financial Statements

(Compiled)

December 31, 2023 and 2022

Watershed Alliance of York

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December 31, 2023 and 2022

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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, 2023 and 2022, 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

April 1, 2024
York, Pennsylvania

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Watershed Alliance of York

Statement of Financial Position

See Independent Accountant's Compilation Report

	December 31, 2023	2022
Assets		
Current Assets		
Cash	**$ 85,937**	$ 108,209
Accounts receivable	**-**	69,200
Restricted cash	**270,147**	447,174
Total Assets	**$ 356,084**	$ 624,583
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	**$ 45,000**	$ 73,783
Deferred grant revenue	**268,115**	-
Total Liabilities	**313,115**	73,783
Net Assets		
Without donor restrictions	**40,937**	549,926
With donor restrictions	**2,032**	874
Total Net Assets	**42,969**	550,800
Total Liabilities and Net Assets	**$ 356,084**	$ 624,583

Watershed Alliance of York

Statement of Activities

See Independent Accountant's Compilation Report

	Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Grant income	$ 1,248,227	$ -	$ 1,248,227
Contributions	9,634	2,032	11,666
Sponsorship income	9,250	-	9,250
Interest income	7,356	-	7,356
Net assets released from restriction	874	(874)	-
Other income	-	-	-
Total Support and Revenue	1,275,341	1,158	1,276,499
Expenses			
Program services	1,772,599	-	1,772,599
Supporting services			
Management and general	10,332	-	10,332
Fundraising	1,399	-	1,399
Total Expenses	1,784,330	-	1,784,330
Changes in Net Assets	$ (508,989)	$ 1,158	$ (507,831)

See accompanying notes.

Watershed Alliance of York

Statement of Activities (continued)

See Independent Accountant's Compilation Report

	Year Ended December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Grant income	$ 159,425	$ -	$ 159,425
Contributions	6,447	-	6,447
Sponsorship income	8,000	-	8,000
Interest income	1,495	-	1,495
Net assets released from restriction	102,397	(102,397)	-
Other income	446,300	-	446,300
Total Support and Revenue	724,064	(102,397)	621,667
Expenses			
Program services	179,966	-	179,966
Supporting services			
Management and general	698	-	698
Fundraising	200	-	200
Total Expenses	180,864	-	180,864
Changes in Net Assets	$ 543,200	$ (102,397)	$ 440,803

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, 2021	$ 6,726	$ 103,271	$ 109,997
Changes in net assets	543,200	(102,397)	440,803
Net Assets at December 31, 2022	549,926	874	550,800
Changes in net assets	**(508,989)**	**1,158**	**(507,831)**
Net Assets at December 31, 2023	**$ 40,937**	**$ 2,032**	**$ 42,969**

See accompanying notes.

Watershed Alliance of York

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

	Year Ended December 31, 2023			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Project implementation	$ 1,768,338	$ -	$ -	$ 1,768,338
Professional fees	-	9,831	-	9,831
Fishing derby	2,364	-	-	2,364
Advertising and marketing	974	436	-	1,410
Fundraising	-	-	1,399	1,399
Insurance	923	-	-	923
Office expenses	-	65	-	65
Miscellaneous	-	-	-	-
Rent	-	-	-	-
	$ 1,772,599	$ 10,332	$ 1,399	$ 1,784,330

See accompanying notes.

Watershed Alliance of York

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

	Year Ended December 31, 2022			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Project implementation	$ 176,676	$ -	$ -	$ 176,676
Professional fees	-	-	-	-
Fishing derby	1,689	-	-	1,689
Advertising and marketing	53	311	-	364
Fundraising	-	-	200	200
Insurance	1,023	-	-	1,023
Office expenses	500	33	-	533
Miscellaneous	-	354	-	354
Rent	25	-	-	25
	$ 179,966	$ 698	$ 200	$ 180,864

Watershed Alliance of York

Statement of Cash Flows
See Independent Accountant's Compilation Report

	Years Ended December 31, 2023	2022
Cash Flows from Operating Activities		
Changes in net assets	**$ (507,831)**	$ 440,803
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
(Increase) decrease in assets		
Accounts receivable	**69,200**	(69,200)
Increase (decrease) in liabilities		
Accounts payable	**(28,783)**	73,783
Deferred grant revenue	**268,115**	-
Net Cash Provided by (Used in) Operating Activities	**(199,299)**	445,386
Net Increase (Decrease) in Cash	**(199,299)**	445,386
Cash at Beginning of Year	**555,383**	109,997
Cash at End of Year	**$ 356,084**	$ 555,383
Cash is Comprised of the Following on the Statement of Financial Position		
Cash	**$ 85,937**	$ 108,209
Restricted cash	**270,147**	447,174
	$ 356,084	$ 555,383

See accompanying notes.

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 sources of revenue are contributions, grant income, and other income.

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.

Accounts Receivable

Accounts receivable are stated at outstanding balances. WAY considers accounts receivable to be fully collectible. If collection becomes doubtful, an allowance for credit losses will be established, or the accounts will be written off when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged-off accounts are recorded when received.

As of December 31, 2022, accounts receivable consist of government grants receivable. Reimbursable grants are recorded as accounts receivable when WAY recognizes the related expenses. There were no accounts receivable as of December 31, 2023.

Restricted Cash

During the year ended December 31, 2022, WAY recognized revenue in the amount of $446,300 which was received through a lawsuit settlement between two unrelated third parties. The funds were to be expended for the Muddy Creek Watershed Project in York County as outlined in the consent decree and were not available for general operating activities. As of December 31, 2022, unexpended cash related to the settlement payment classified as restricted cash amounted to $446,300. All funds were expended for the Muddy Creek Watershed Project during the year ended December 31, 2023.

Note 2 - Summary of Significant Accounting Policies (continued)

Restricted Cash (continued)

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. As of December 31, 2023, unexpended cash related to this award classified as restricted cash amounted to $268,115.

Additionally, as of December 31, 2023 and 2022, WAY has restricted cash in the amount of $2,032 and $874, 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, 2023 and 2022, 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

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.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Grants (continued)

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.

Other Income

During the year ended December 31, 2022, WAY recognized revenue in the amount of $446,300, which was received through a lawsuit settlement between two unrelated third parties. Revenue related to this settlement is included in other income in the statement of activities. The settlement payment was recognized as revenue upon receipt. No revenue related to this lawsuit was recognized during the year ended December 31, 2023.

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, 2023 and 2022.

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 program and 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)

U.S. GAAP requires 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, 2020.

Note 4 - Concentrations and Credit Risk

At times during the years ended December 31, 2023 and 2022, WAY's cash balance may have exceeded the federally insured limit of $250,000.

During the year ended December 31, 2023, WAY received grant funds from one agency that accounted for approximately 79% 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:

	2023	2022
Financial Assets		
Cash	**$ 85,937**	$ 108,209
Accounts receivable	**-**	69,200
Restricted cash	**270,147**	447,174
Total Financial Assets	**356,084**	624,583
Less Amounts that are Internally Designated or Externally Restricted		
Restricted cash	**(270,147)**	(447,174)
Financial Assets Available to be Used Within One Year	**$ 85,937**	$ 177,409

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:

	2023	2022
Subject to expenditure for a specified purpose		
Restricted cash - S2C Project	**$ 2,032**	$ 282
Restricted cash - Fishing Derby	**-**	592
	$ 2,032	$ 874

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 April 1, 2024. This date is the date the financial statements were available to be issued. No material events subsequent to December 31, 2023 were noted.