

JAMES RIVER BASIN PARTNERSHIP

FINANCIAL STATEMENTS
WITH
INDEPENDENT ACCOUNTANT'S REPORT

DECEMBER 31, 2021

Table of Contents

Independent Accountant's Review Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
James River Basin Partnership
Springfield, Missouri

I have reviewed the accompanying financial statements of James River Basin Partnership (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for 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 entity 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 as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Cinda L. Rodgers, CPA, PC

Springfield, Missouri

May 4, 2022

JAMES RIVER BASIN PARTNERSHIP
STATEMENT OF FINANCIAL POSITION
December 31, 2021

Assets

Cash	\$	213,846
Accounts Receivable		54,621
Other Investments		20
Total Current Assets		268,487
 Property and Equipment (net of accumulated depreciation)		-
 Other Assets - Endowment Fund Investments		676,243
Total Assets	\$	944,730

Liabilities & Net Assets

Accounts Payable	\$	495
Accrued Expenses		21,781
Deferred Revenue		20,000
Total Current Liabilities		42,276
 Long-Term Debt (net of current portion)		-
 Net Assets		
With Donor Restrictions		367,308
Without Donor Restrictions		535,146
Total Net Assets		902,454
Total Liabilities & Net Assets	\$	944,730

See accompanying notes and independent accountant's review report.

JAMES RIVER BASIN PARTNERSHIP
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES			
Public Support			
Contributions	\$ 256,199	\$ 252,007	\$ 508,206
Donated Office Space	10,000	-	10,000
Grants	208,889	-	208,889
Fundraising	59,302	-	59,302
Memberships	36,468	-	36,468
Total Public Support	<u>570,858</u>	<u>252,007</u>	<u>822,865</u>
Revenues			
Contract Revenue	99,775	-	99,775
Net Investment Return	61,053	4,523	65,576
Other Income	34,960	-	34,960
Total Revenues	<u>195,788</u>	<u>4,523</u>	<u>200,311</u>
Net Assets Released from Restrictions and Transfers	<u>(72,605)</u>	<u>72,605</u>	<u>-</u>
Total Support and Revenue	694,041	329,135	1,023,176
EXPENSES			
Program	297,968	-	297,968
Administrative and Management	51,780	-	51,780
Fundraising	43,646	-	43,646
Total Expenses	<u>393,394</u>	<u>-</u>	<u>393,394</u>
CHANGE IN NET ASSETS	300,647	329,135	629,782
NET ASSETS, BEGINNING OF YEAR	<u>234,499</u>	<u>38,173</u>	<u>272,672</u>
NET ASSETS, END OF YEAR	<u>\$ 535,146</u>	<u>\$ 367,308</u>	<u>\$ 902,454</u>

See accompanying notes and independent accountant's review report.

**JAMES RIVER BASIN PARTNERSHIP
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021**

	Program Services	Supporting Services		Total
		Admin & Mgmt	Fund- raising	
Contract Expenses	\$ 16,398	\$ -	\$ -	\$ 16,398
Contract Labor	13,728	3,535	7,287	24,550
Dues and Subscriptions	-	1,197	-	1,197
Grant Expenses	169,295	-	-	169,295
Insurance	-	4,200	-	4,200
Membership Expenses	-	-	1,792	1,792
Miscellaneous	-	585	14,561	15,146
Payroll and Benefits Expenses	98,547	25,374	20,006	143,927
Office Expenses	-	4,722	-	4,722
Professional Fees	-	2,167	-	2,167
Rent	-	10,000	-	10,000
	<u>\$ 297,968</u>	<u>\$ 51,780</u>	<u>\$ 43,646</u>	<u>\$ 393,394</u>

See accompanying notes and independent accountant's review report.

JAMES RIVER BASIN PARTNERSHIP
STATEMENT OF CASH FLOWS
Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ 629,782
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	-
Forgiveness of Debt	(19,338)
(Increase) Decrease in Accounts Receivable	(37,486)
Increase (Decrease) in Deferred Revenue	-
Increase (Decrease) in Accounts Payable and Accrued Expenses	10,223
	10,223
Net Cash Provided (Used) by Operating Activities	583,181

CASH FLOWS FROM INVESTING ACTIVITIES:

Property and equipment acquired/constructed	-
Other Investment transactions	72,585
Endowment Fund transactions	(638,070)
	(638,070)
Net Cash Provided (Used) by Investing Activities	(565,485)

CASH FLOWS FROM FINANCING ACTIVITIES:

Principal payments on loans	-
Proceeds from issuance of debt	-
	-
Net Cash Provided (Used) by Financing Activities	-

NET INCREASE (DECREASE) IN CASH 17,696

CASH AT BEGINNING OF YEAR 196,150

CASH AT END OF YEAR \$ 213,846

SUPPLEMENTAL INFORMATION

Interest paid	\$ -
Noncash transactions	\$ 10,000

See accompanying notes and independent accountant's review report.

THE JAMES RIVER BASIN PARTNERSHIP
Notes to Financial Statements
December 31, 2021

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The James River Basin Partnership (the “Partnership”) is a not-for-profit corporation organized primarily to improve and protect the water quality in the James River watershed and Table Rock Lake.

Method of Accounting

The Partnership uses the accrual method of accounting (revenues are recognized at the time services are provided and expenses are recognized when incurred) in accordance with accounting principles generally accepted in the United States of America.

Revenue Recognition

The Partnership recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a 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 met.

A portion of the Partnership’s revenue is derived from cost-reimbursable government contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Partnership has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Property and Equipment

Property and equipment are capitalized and depreciated over the estimated useful life of each asset. Annual depreciation is primarily computed using the straight-line method, over the estimated useful lives of the assets.

Exemption from Income Taxes

The Partnership is a Missouri not-for-profit corporation and is exempt from federal and state income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Partnership is not classified as a private foundation.

THE JAMES RIVER BASIN PARTNERSHIP
Notes to Financial Statements
December 31, 2021

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Partnership considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

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 and disclosures. Actual results could differ from those estimates.

Donated Services

From time to time, the Partnership receives services donated by citizens interested in the Partnership's programs. However, most of the contributed services do not meet the criteria for recognition in the financial statements. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

Functional Expenses

The cost of providing the Partnership's programs and other activities is summarized on a functional basis in the statement of activities and the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited based on usage.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. The Partnership utilizes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The James River Basin Partnership groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

THE JAMES RIVER BASIN PARTNERSHIP
Notes to Financial Statements
December 31, 2021

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (continued)

- *Level 1.* Quoted prices for identical assets or liabilities in active markets as of the measurement date.
- *Level 2.* Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3.* Unobservable inputs that cannot be corroborated by observable market data.

Note 2 – Availability and Liquidity

The following represents The James River Basin Partnership’s financial assets at December 31, 2021:

Cash	\$ 213,846
Accounts Receivable	54,621
Other Investments	20
Endowment Investments	676,243
Total Financial Assets	944,730
Less amounts not available for use within one year	
Restricted portion of Endowment Investments	356,243
Financial assets available to meet general expenditures over the next twelve months	\$ 588,487

The Partnership’s operating reserve policy requires cash balances of at least three months’ worth of expenses, based on the current budget.

Note 3 - Investments

Investments consist of marketable securities. All investments are held by Community Foundation of the Ozarks. Market risk could occur and is dependent on the future changes in market prices of the various investments held.

The objective of the total return/distribution policy of the investment funds is to prevent erosion of the fund by investing for a total return sufficient to cover desired distributions, the cost of investment and the rate of inflation.

THE JAMES RIVER BASIN PARTNERSHIP
Notes to Financial Statements
December 31, 2021

Note 3 – Investments (continued)

An analysis of the investments held as of December 31, 2021 is as follows:

Marketable securities	<u>\$ 676,263</u>
Community Foundation Allocation Policy:	
Equities	54%
Fixed Income	15%
Alternative	11%
Cash Equivalents	10%
Real Assets	9 %
Program Related	1%

Investments according to fair value measurement category as of December 31, 2021 are as follows:

Level 1	\$ 602,212
Level 2	--
Level 3	74,051
	<u>\$ 676,263</u>

Note 4 - Property and Equipment

Property and equipment as of December 31, 2021 is summarized as follows:

	<u>2021</u>
Vehicle	\$ 15,635
Office Equipment	<u>3,645</u>
	19,280
Less Accumulated Deprec.	<u>19,280</u>
	<u>\$ -</u>

Note 5 - Net Assets

Net assets with donor restrictions and cash (\$11,065)/investments (\$356,243) at December 31, 2021, are restricted for the following purposes:

River Rescue	\$ 11,065
Endowment (Restricted Portion)	<u>356,243</u>
	<u>\$ 367,308</u>

THE JAMES RIVER BASIN PARTNERSHIP
Notes to Financial Statements
December 31, 2021

Note 6 – Retirement Plan

During 2008, the Partnership established a Simple IRA Retirement plan for its employees. Under the terms of the Plan, the partnership must match the employees' elective contribution up to 3% of the employees' compensation. Matching contributions made by the Partnership for the year ended December 31, 2021 amounted to \$6,630.

Note 7 – Endowment Fund

The Endowment Fund, less \$250,000, is invested in perpetuity with the Community Foundation of the Ozarks. The investment objective of the Endowment Fund is to preserve its purchasing power while providing a continuing and stable funding source to support the current and future mission of The James River Basin Partnership. To accomplish this objective, the Partnership seeks to generate a total return that will exceed not only its grants and distributions, but also all expenses associated with managing the Fund and the eroding effects of inflation. The Partnership has access only to the income generated by the Fund. It is the intention that all total return (interest income, dividends, realized gains, and unrealized gains) above and beyond the amount approved for expenditure or distribution will be reinvested in the Fund.

Changes in the endowment fund for the year ended December 31, 2021 are as follows:

Endowment fund, beg. of year	\$ 38,173
Contributions	574,612
Interest earned	13,555
Realized/unrealized gains/losses	58,418
Distributions	-1,926
Fees	-6,589
Endowment fund, end of year	<u>\$ 676,243</u>

Note 8 – Contract Revenue

Contract revenue recognized at a point in time includes consulting and educational services. Revenue is recognized at the date on which the service is performed. Contract balances include Accounts Receivable which had a balance of \$54,621 as of December 31, 2021. Payments are usually received within the following 30 days.

Note 9 – Subsequent Events

The Partnership has evaluated subsequent events through May 4, 2022 the date which the financial statements were available to be issued.