

JAMES RIVER BASIN PARTNERSHIP

FINANCIAL STATEMENTS
WITH
INDEPENDENT ACCOUNTANT'S REPORT

DECEMBER 31, 2022

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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, 2022, 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 1, 2023

JAMES RIVER BASIN PARTNERSHIP
STATEMENT OF FINANCIAL POSITION
December 31, 2022

Assets

Cash	\$	258,449
Accounts Receivable		25,123
Other Investments		20
Total Current Assets		283,592
Property and Equipment (net of accumulated depreciation)		17,167
Other Assets - Endowment Fund Investments		582,481
Total Assets	\$	883,240

Liabilities & Net Assets

Accounts Payable	\$	1,224
Accrued Expenses		9,085
Total Current Liabilities		10,309
Long-Term Debt (net of current portion)		-
Net Assets		
With Donor Restrictions		368,370
Without Donor Restrictions		504,561
Total Net Assets		872,931
Total Liabilities & Net Assets	\$	883,240

See accompanying notes and independent accountant's review report.

JAMES RIVER BASIN PARTNERSHIP
STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Public Support			
Contributions	\$ 28,694	\$ 2,853	\$ 31,547
In-kind Donations	23,225	-	23,225
Donated Office Space	10,000	-	10,000
Grants	84,877	-	84,877
Fundraising	76,641	-	76,641
Memberships	39,907	-	39,907
Total Public Support	263,344	2,853	266,197
Revenues			
Contract Revenue	91,084	-	91,084
Interest Income	351	-	351
Net Investment Return	(93,762)	-	(93,762)
Other Income	2,680	-	2,680
Total Revenues	353	-	353
Net Assets Released from Restrictions and Transfers			
	1,791	(1,791)	-
Total Support and Revenue	265,488	1,062	266,550
EXPENSES			
Program	200,986	-	200,986
Administrative and Management	48,401	-	48,401
Fundraising	46,686	-	46,686
Total Expenses	296,073	-	296,073
CHANGE IN NET ASSETS	(30,585)	1,062	(29,523)
NET ASSETS, BEGINNING OF YEAR	535,146	367,308	902,454
NET ASSETS, END OF YEAR	\$ 504,561	\$ 368,370	\$ 872,931

See accompanying notes and independent accountant's review report.

JAMES RIVER BASIN PARTNERSHIP
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022

	Program Services	Supporting Services		Total
		Admin & Mgmt	Fund- raising	
Contract Expenses	\$ 16,307	\$ -	\$ -	\$ 16,307
Contract Labor	5,365	-	-	5,365
Depreciation	2,833	-	-	2,833
Dues and Subscriptions	-	1,142	-	1,142
Grant Expenses	60,524	-	-	60,524
Insurance	-	5,343	-	5,343
Membership Expenses	-	-	2,789	2,789
Miscellaneous	-	2,711	13,363	16,074
Payroll and Benefits Expenses	112,732	23,274	30,534	166,540
Office Expenses	-	4,698	-	4,698
Supplies	3,225	-	-	3,225
Professional Fees	-	1,233	-	1,233
Rent	-	10,000	-	10,000
	<u>\$ 200,986</u>	<u>\$ 48,401</u>	<u>\$ 46,686</u>	<u>\$ 296,073</u>

See accompanying notes and independent accountant's review report.

JAMES RIVER BASIN PARTNERSHIP
STATEMENT OF CASH FLOWS
Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ (29,523)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,833
In-kind Donations	(23,225)
In-kind Expenses	3,225
Net Investment Return	93,762
(Increase) Decrease in Accounts Receivable	29,498
Increase (Decrease) in Deferred Revenue	(20,000)
Increase (Decrease) in Accounts Payable and Accrued Expenses	<u>(11,967)</u>
Net Cash Provided (Used) by Operating Activities	44,603

CASH FLOWS FROM INVESTING ACTIVITIES:

Property and equipment acquired/constructed	-
Other Investment transactions	-
Endowment Fund transactions	<u>-</u>
Net Cash Provided (Used) by Investing Activities	-

CASH FLOWS FROM FINANCING ACTIVITIES:

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

NET INCREASE (DECREASE) IN CASH 44,603

CASH AT BEGINNING OF YEAR 213,846

CASH AT END OF YEAR \$ 258,449

SUPPLEMENTAL INFORMATION

Interest paid	<u>\$ -</u>
Noncash transactions	<u><u>\$ 23,225</u></u>

See accompanying notes and independent accountant's review report.

THE JAMES RIVER BASIN PARTNERSHIP
Notes to Financial Statements
December 31, 2022

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 at cost, or fair market value if donated, 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, 2022

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, 2022

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.

Adopted Accounting Pronouncement

In 2022, The James River Basin Partnership adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements regarding contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

Note 2 – Availability and Liquidity

The following represents The James River Basin Partnership’s financial assets at December 31, 2022:

Cash	\$	258,449
Accounts Receivable		25,123
Other Investments		20
Endowment Investments		582,481
Total Financial Assets		866,073
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		\$ 509,830

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

THE JAMES RIVER BASIN PARTNERSHIP
Notes to Financial Statements
December 31, 2022

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.

An analysis of the investments held as of December 31, 2022 is as follows:

Marketable securities	<u>\$ 582,501</u>
Community Foundation Allocation	
Policy:	
Equities	59%
Fixed Income	18%
Alternative	11%
Cash Equivalents	3%
Real Assets	8 %
Private Equity	1%

Investments according to fair value measurement category as of December 31, 2022 are as follows:

Level 1	\$ 516,387
Level 2	--
Level 3	<u>66,114</u>
	<u>\$ 582,501</u>

Note 4 - Property and Equipment

Property and equipment as of December 31, 2022 is summarized as follows:

	<u>2022</u>
Vehicle	\$ 10,000
Canoes	10,000
Office Equipment	<u>3,645</u>
	23,645
Less Accumulated Deprec.	<u>6,478</u>
	<u>\$ 17,167</u>

THE JAMES RIVER BASIN PARTNERSHIP
Notes to Financial Statements
December 31, 2022

Note 5 - Net Assets

Net assets with donor restrictions and cash (\$12,127)/investments (\$356,243) at December 31, 2022, are restricted for the following purposes:

River Rescue	\$ 10,395
Education Outreach	1,732
Endowment (Restricted Portion)	356,243
	<u>\$ 368,370</u>

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, 2022 amounted to \$6,149.

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, 2022 are as follows:

Endowment fund, beg. of year	\$ 676,243
Contributions	--
Interest earned	16,424
Realized gains/losses	5,934
Unrealized gains/losses	-109,876
Distributions	--
Fees	-6,244
Endowment fund, end of year	<u>\$ 582,481</u>

THE JAMES RIVER BASIN PARTNERSHIP
Notes to Financial Statements
December 31, 2022

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 \$25,123 and \$54,621 as of December 31, 2022 and 2021, respectively. Payments are usually received within the following 30 days.

Note 9 - Accounts Receivable

Accounts receivable are primarily unsecured non-interest-bearing amounts due from contracts on cost reimbursement or performing contracts. Management believes that all outstanding accounts receivable are collectible in full, therefore, no allowance for uncollectible receivables has been provided.

Note 10 – Contributed Nonfinancial Assets

Contributed nonfinancial assets include the receipt of a truck recognized at \$10,000, ten canoes valued at a total \$10,000 and various kayaks, paddles, and life jackets valued at a total of \$3,225, all being utilized in program services. All items were received with no donor restrictions and were valued at the estimated fair value based on the amount that would be received for selling similar products in the United States.

Note 11 – Concentrations of Risk

The Partnership maintains cash deposits with a major bank which, from time to time, may exceed federally insured limits. The Partnership periodically assesses the financial condition of the institution and believes the risk of any loss is minimal. The majority of the Partnership's contributions are received from individuals, businesses and foundations located in the greater Springfield, Missouri area. As such, the Partnership's ability to generate contributions is dependent upon the economic health of that area. Additionally, the Wilson Creek 319 grant amounted to 33% of total revenue for the year ended December 31, 2022.

Note 12 – Subsequent Events

The Partnership has evaluated subsequent events through May 2, 2023, the date which the financial statements were available to be issued.