

**OWASCO LAKE WATERSHED
MANAGEMENT COUNCIL, INC.**

**FINANCIAL STATEMENTS
(and Independent Auditor's Report Thereon)**

Years Ended December 31, 2023 and 2022

Owasco Lake Watershed Management Council, Inc.

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INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
Owasco Lake Watershed Management Council, Inc.
Auburn, New York**

Opinion

We have audited the accompanying financial statements of Owasco Lake Watershed Management Council, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Owasco Lake Watershed Management Council, Inc., as of December 31, 2023 and 2022, and the changes in net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Owasco Lake Watershed Management Council, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Owasco Lake Watershed Management Council, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

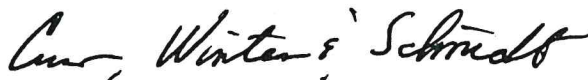
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Owasco Lake Watershed Management Council, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Owasco Lake Watershed Management Council, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads 'Amy Winter & Schmidt'.

East Syracuse, New York
May 3, 2024

Owasco Lake Watershed Management Council, Inc.
Statements of Financial Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 326,928	\$ 282,294
Prepaid expenses	<u>8,014</u>	<u>5,564</u>
Total current assets	<u>334,942</u>	<u>287,858</u>
Fixed assets:		
Vehicles	90,581	90,581
Less: Accumulated depreciation	<u>(59,270)</u>	<u>(51,276)</u>
Total fixed assets	<u>31,311</u>	<u>39,305</u>
Total assets	<u>\$ 366,253</u>	<u>\$ 327,163</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ -	\$ 250
Accrued expenses	<u>7,445</u>	<u>6,851</u>
Total current liabilities	<u>7,445</u>	<u>7,101</u>
Net assets:		
Without donor restrictions:		
Undesignated	<u>358,808</u>	<u>320,062</u>
Total net assets	<u>358,808</u>	<u>320,062</u>
Total liabilities and net assets	<u>\$ 366,253</u>	<u>\$ 327,163</u>

The accompanying notes are an integral part of the financial statements.

Owasco Lake Watershed Management Council, Inc.
Statements of Activities
For the Years Ended December 31, 2023 and 2022

	<u>Without Donor</u>		<u>Restrictions</u>	
	<u>2023</u>			<u>2022</u>
Revenues, gains and other support:				
Governmental grants and fees	\$ 272,150			\$ 262,300
Grants	24,908			500
Insurance proceeds	-			34,586
Loss on disposal of fixed asset	-			(20,029)
Other income	<u>1,220</u>			<u>134</u>
Total revenues, gains, and other support	<u>298,278</u>			<u>277,491</u>
Expenses and losses:				
Program services	212,813			225,658
Management and general	<u>46,719</u>			<u>48,657</u>
Total expenses and losses	<u>259,532</u>			<u>274,315</u>
Change in net assets	38,746			3,176
Net assets - beginning of year	<u>320,062</u>			<u>316,886</u>
Net assets - end of year	<u>\$ 358,808</u>			<u>\$ 320,062</u>

The accompanying notes are an integral part of the financial statements.

Owasco Lake Watershed Management Council, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2023

	<u>Program Services</u>	<u>Management & General</u>	<u>Total</u>
Expenses:			
Personnel:			
Salaries and wages	\$ 133,693	\$ 33,423	\$ 167,116
Payroll taxes	10,046	2,512	12,558
Employee benefits	<u>16,168</u>	<u>4,042</u>	<u>20,210</u>
Total salaries and related expenses	159,907	39,977	199,884
Advertising	248	62	310
Professional fees	7,927	1,982	9,909
Supplies and minor equipment	1,440	332	1,772
Repairs and maintenance	1,712	428	2,140
Telephone	2,668	667	3,335
Postage	114	28	142
Printing and copying	494	124	618
Occupancy	9,150	2,288	11,438
Travel and local transportation	2,256	564	2,820
Conferences and meetings	1,068	267	1,335
Insurance	13,918	-	13,918
Conservation related expenses	3,917	-	3,917
Depreciation	<u>7,994</u>	<u>-</u>	<u>7,994</u>
Total expenses	<u>\$ 212,813</u>	<u>\$ 46,719</u>	<u>\$ 259,532</u>

The accompanying notes are an integral part of the financial statements.

Owasco Lake Watershed Management Council, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2022

	<u>Program Services</u>	<u>Management & General</u>	<u>Total</u>
Expenses:			
Personnel:			
Salaries and wages	\$ 139,023	\$ 34,756	\$ 173,779
Payroll taxes	10,434	2,608	13,042
Employee benefits	<u>16,274</u>	<u>4,068</u>	<u>20,342</u>
Total salaries and related expenses	165,731	41,432	207,163
Advertising	772	193	965
Professional fees	7,681	1,920	9,601
Supplies and minor equipment	1,518	352	1,870
Repairs and maintenance	2,236	559	2,795
Telephone	3,274	818	4,092
Postage	37	9	46
Printing and copying	554	138	692
Occupancy	9,267	2,317	11,584
Travel and local transportation	3,038	760	3,798
Conferences and meetings	634	159	793
Insurance	15,988	-	15,988
GLC Conservation related expenses	10,000	-	10,000
Depreciation	<u>4,928</u>	<u>-</u>	<u>4,928</u>
Total expenses	<u>\$ 225,658</u>	<u>\$ 48,657</u>	<u>\$ 274,315</u>

The accompanying notes are an integral part of the financial statements.

Owasco Lake Watershed Management Council, Inc.
Statements of Cash Flow
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 38,746	\$ 3,176
Adjustments to reconcile net cash provided by operating activities:		
Loss on disposal of fixed assets	-	20,029
Depreciation	7,994	4,928
Decrease (increase) in operating assets:		
Prepaid expenses	(2,450)	1,252
Increase (decrease) in operating liabilities:		
Accounts payable	(250)	-
Accrued expenses	594	725
Net cash provided by operating activities	<u>44,634</u>	<u>30,110</u>
Cash flows from investing activities:		
Purchase of fixed assets	-	(39,971)
Net cash used in investing activities	<u>-</u>	<u>(39,971)</u>
Net increase (decrease) in cash and cash equivalents	44,634	(9,861)
Cash and cash equivalents, beginning of year	<u>282,294</u>	<u>292,155</u>
Cash and cash equivalents, end of year	<u>\$ 326,928</u>	<u>\$ 282,294</u>

The accompanying notes are an integral part of the financial statements.

Owasco Lake Watershed Management Council, Inc.

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

Nature of Operations

The mission of Owasco Lake Watershed Management Council, Inc. (Organization) is to coordinate actions for protecting and restoring the health of Owasco Lake and its watershed to ensure that Owasco Lake will serve as a source of public drinking water, a recreational asset, an economic driver, and an important natural resource for the well-being of watershed residents and those who benefit from its protection now and for future generations.

The Owasco Lake Watershed Management Council is an inter-municipal 501(c)(3) nonprofit development corporation with representation from municipalities throughout the Owasco Lake Watershed.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization records resources for accounting and reporting purposes into two classes of net assets; without donor restrictions and with donor restrictions, based on the existence or absence of donor-imposed restrictions.

Without Donor Restrictions – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time the Board may designate a portion of these assets for specific purposes which makes them unavailable for use at management’s discretion.

With Donor Restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor imposed, time and/or purpose restrictions. The Organization did not have any net assets with donor restrictions at December 31, 2023 and 2022, respectively.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in a checking account. The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, receivables, and payables approximate fair value due to the short maturity of these financial instruments.

Owasco Lake Watershed Management Council, Inc.

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue and Recognition

When donations are received, they are accounted for in accordance with the recommendations of FASB ASC 958-605-45-3, *Contributions Received*. In accordance with FASB ASC 958-605-45-3, contributions received are recorded as contributions received with donor-imposed restrictions and those received without donor-imposed restrictions. The former shall be reported as donor restricted support that increases net assets with donor-imposed restrictions. The latter shall be reported as support that increases net assets without donor restrictions.

Donor-restricted contributions whose restrictions are met (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), restricted net assets are reclassified to net assets without donor restrictions. ASC 958-605-45-4 allows an organization to report donor restricted contributions, whose restrictions are met in the same reporting period, as unrestricted revenues.

In 2023, the Organization received contributions that were restricted for a Nature Conservation. The conservation was purchased in 2023, all restrictions were released in the same period and revenue was classified as unrestricted.

The Organization has adopted FASB ASU 2014-09, Revenue from Contracts with Customers. This ASU requires the recognition of revenue related to the transfer of goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods and services. The Organization receives revenue from grants and agreements with local municipalities.

The Organization recognizes revenue received from municipalities in the year to which it relates and when the agreement is fulfilled.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses that can be directly associated with a program are charged to that program. Certain costs have been allocated among the programs and supporting services benefited based on estimates of time and effort.

Owasco Lake Watershed Management Council, Inc.

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Fixed Assets

Property and equipment are stated at cost or if donated, at the fair value at the date of donation. It is the Organization’s policy to capitalize assets with a life expectancy that exceeds one year and a value greater than \$1,000 per item. Depreciation is computed on the straight-line method over the useful lives of the related assets. Such lives are generally as follows:

	Estimated Useful <u>Life in Years</u>
Equipment	5-15
Vehicles.....	3-7

Repairs and maintenance costs are expensed as incurred. Expenditures for significant betterments are capitalized. Depreciation expense for the years ended December 31, 2023 and 2022 totaled \$7,994 and \$4,928, respectively.

Note 2 – Liquidity and Availability of Financial Assets

The Organization has \$326,928 of cash available within one year of the balance sheet date to meet cash needs for general expenditures. None of the cash is subject to donor or other contractual restrictions that make it unavailable for general expenditure within one year of the balance sheet date. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 3 – Economic Dependency

The Organization received \$272,150 and \$262,300 in 2023 and 2022 from government contracts which was approximately 91% and 94% of the Organization’s revenue.

The majority of the Organization’s services are paid for by the City of Auburn and the Town of Owasco, making the Organization very dependent on those two municipalities.

Note 4 – Tax Status

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Service Code and similar New York State statutes. The Organization is not considered a private foundation and contributions to the Organization are considered tax deductible.

The Organization follows guidance provided in the income tax standard regarding the recognition of uncertain tax positions. This guidance prescribes a recognition threshold for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The Organization’s tax returns are subject to review and examination by Federal and state authorities. The tax returns for 2021-2023 are open to examination.

Owasco Lake Watershed Management Council, Inc.

Notes to Financial Statements

Note 5 – Retirement Plan

The Organization sponsors a defined contribution retirement plan covering substantially all full-time employees. The Plan is a discretionary contribution plan. Expenses recognized under the terms of the Plan in 2023 and 2022 were \$11,738 and \$11,177, respectively.

Note 6 – Subsequent Events

In accordance with FASB Accounting Standards Codification Topic 855, Subsequent Events, the Organization has evaluated subsequent events through May 3, 2024, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of May 3, 2024, have been incorporated into these financial statements herein.