

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

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

**Years Ended December 31, 2021 and 2020**

# Owasco Lake Watershed Management Council, Inc.

## Index

Independent Auditors' Report .....	1-2
Financial Statements	
Statements of Financial Position	
December 31, 2021 and 2020.....	3
Statements of Activities	
For the Years Ended December 31, 2021 and 2020 .....	4
Statement of Functional Expenses	
For the Year Ended December 31, 2021.....	5
Statement of Functional Expenses	
For the Year Ended December 31, 2020.....	6
Statement of Cash Flows	
For the Year Ended December 31, 2021 and 2020.....	7
Notes to Financial Statements .....	8-10

## 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, 2021 and 2020, 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, 2021 and 2020, 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.

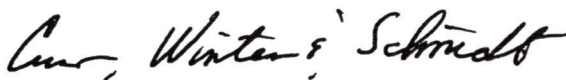
## Auditor's Responsibilities for the Audit of the Financial Statements

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.



East Syracuse, New York  
April 28, 2022

**Owasco Lake Watershed Management Council, Inc.**  
**Statements of Financial Position**  
**December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 292,155	\$ 168,181
Prepaid expenses	<u>6,816</u>	<u>4,015</u>
<b>Total current assets</b>	<u>298,971</u>	<u>172,196</u>
<b>Fixed assets:</b>		
Vehicles	76,179	50,610
Less: Accumulated depreciation	<u>(51,888)</u>	<u>(50,610)</u>
<b>Total fixed assets</b>	<u>24,291</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 323,262</u>	<u>\$ 172,196</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 250	\$ 4,050
Accrued expenses	<u>-</u>	<u>6,126</u>
<b>Total current liabilities</b>	<u>250</u>	<u>10,176</u>
<b>Net assets:</b>		
<b>Without donor restrictions:</b>		
Undesignated	<u>323,012</u>	<u>162,020</u>
<b>Total net assets</b>	<u>323,012</u>	<u>162,020</u>
<b>Total liabilities and net assets</b>	<u>\$ 323,262</u>	<u>\$ 172,196</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, 2021 and 2020**

	<b>Without Donor</b>	
	<b>Restrictions</b>	
	<b>2021</b>	<b>2020</b>
<b>Revenues, gains and other support:</b>		
Governmental grants and fees	\$ 363,205	\$ 225,676
Grants	10,000	-
Paycheck Protection Program loan forgiveness	-	41,750
Contributions	27,095	6,450
Interest income	-	2
<b>Total revenues, gains, and other support</b>	<b>400,300</b>	<b>273,878</b>
<b>Expenses and losses:</b>		
Program services	194,849	237,855
Management and general	44,459	52,370
<b>Total expenses and losses</b>	<b>239,308</b>	<b>290,225</b>
<b>Change in net assets</b>	<b>160,992</b>	<b>(16,347)</b>
Net assets - beginning of year	162,020	178,367
<b>Net assets - end of year</b>	<b>\$ 323,012</b>	<b>\$ 162,020</b>

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, 2021**

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Total</u>
<b>Expenses:</b>			
Personnel:			
Salaries and wages	\$ 123,834	\$ 30,959	\$ 154,793
Payroll taxes	9,862	2,465	12,327
Employee benefits	<u>14,574</u>	<u>3,644</u>	<u>18,218</u>
Total salaries and related expenses	148,270	37,068	185,338
Advertising	1,838	459	2,297
Professional fees	8,407	2,102	10,509
Supplies and minor equipment	3,466	839	4,305
Repairs and maintenance	793	198	991
Telephone	4,256	1,064	5,320
Postage	557	139	696
Printing and copying	123	31	154
Occupancy	7,716	1,929	9,645
Travel and local transportation	1,991	498	2,489
Conferences and meetings	528	132	660
Insurance	15,626	-	15,626
Depreciation	<u>1,278</u>	<u>-</u>	<u>1,278</u>
<b>Total expenses</b>	<b><u>\$ 194,849</u></b>	<b><u>\$ 44,459</u></b>	<b><u>\$ 239,308</u></b>

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, 2020**

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Total</u>
<b>Expenses:</b>			
Personnel:			
Salaries and wages	\$ 154,175	\$ 38,544	\$ 192,719
Payroll taxes	11,510	2,877	14,387
Employee benefits	<u>16,169</u>	<u>4,042</u>	<u>20,211</u>
Total salaries and related expenses	181,854	45,463	227,317
Advertising	780	195	975
Professional fees	5,474	1,368	6,842
Supplies and minor equipment	8,107	1,999	10,106
Repairs and maintenance	1,798	449	2,247
Telephone	3,478	870	4,348
Postage	146	37	183
Printing and copying	462	115	577
Occupancy	4,800	1,200	6,000
Travel and local transportation	1,805	451	2,256
Conferences and meetings	892	223	1,115
Insurance	11,389	-	11,389
Depreciation	<u>16,870</u>	<u>-</u>	<u>16,870</u>
<b>Total expenses</b>	<u>237,855</u>	<u>52,370</u>	<u>290,225</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, 2020 and 2019**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 160,992	\$ (16,347)
Adjustments to reconcile net cash provided by operating activities:		
Depreciation	1,278	16,870
Decrease (increase) in operating assets:		
Accounts receivable	-	1,500
Prepaid expenses	(2,801)	590
Increase (decrease) in operating liabilities:		
Accounts payable	(3,800)	4,050
Accrued expenses	<u>(6,126)</u>	<u>6,126</u>
<b>Net cash provided by operating activities</b>	<u>149,543</u>	<u>12,789</u>
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets	<u>(25,569)</u>	<u>-</u>
<b>Net cash used in investing activities</b>	<u>(25,569)</u>	<u>-</u>
<b>Net increase in cash, cash equivalents and restricted cash</b>	<b>123,974</b>	<b>12,789</b>
<b>Cash and cash equivalents, beginning of year</b>	<u>168,181</u>	<u>155,392</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 292,155</u>	<u>\$ 168,181</u>

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

# Owasco Lake Watershed Management Council, Inc.

## Notes to Financial Statements

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### Note 1 – Summary of Significant Accounting Policies

#### **Nature of Operations**

The mission of Owasco Lake Watershed Management Council, Inc. 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, and 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, 2021 and 2020, 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

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### 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 2021, the Organization received contributions that were restricted for a vehicle. The vehicle was purchased in 2021, 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 to 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 Life in Years
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, 2021 and 2020 totaled \$1,278 and \$16,870, respectively.

Note 2 – Liquidity and Availability of Financial Assets

The Organization has \$292,155 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash \$292,155. None of the financial assets are subject to donor or other contractual restrictions that make them 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 \$363,205 and \$225,676 in 2021 and 2020 from government contracts which was approximately 91% and 82% of the Organization’s revenue.

The majority of 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 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 return for 2018-2020 is open to examination.

**Owasco Lake Watershed Management Council, Inc.**

**Notes to Financial Statements**

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**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. Expense recognized under the terms of the Plan in 2021 and 2020 were \$14,687 and \$18,646, respectively.

**Note 6 – Subsequent Events**

In accordance with FASB Accounting Standards Codification Topic 855, Subsequent Events, the Organization has evaluated subsequent events through April 28, 2022, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of April 28, 2022, have been incorporated into these financial statements herein.