

Audited Financial Statements

**Austin Youth River Watch**

*For the Fiscal Years Ended June 30, 2020 and 2019  
With Independent Auditor's Report*

Austin Youth River Watch  
Audited Financial Statements

For the Fiscal Years Ended June 30, 2020 and 2019

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## Independent Auditor's Report

To the Board of Directors of  
Austin Youth River Watch  
Austin, Texas

### Opinion

We have audited the accompanying financial statements of Austin Youth River Watch (“River Watch”) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, 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 Austin Youth River Watch as of June 30, 2020 and 2019, and the changes in its 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 audits 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 Audits of the Financial Statements section of our report. We are required to be independent of Austin Youth River Watch and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Austin Youth River Watch's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

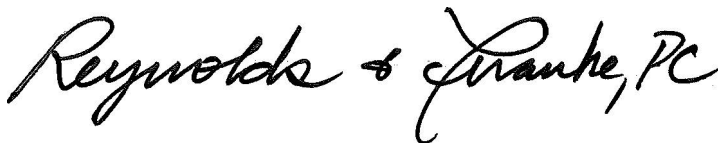
## Auditor's Responsibilities for the Audits of the Financial Statements

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 audits 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 the audits in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Austin Youth River Watch'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 Austin Youth River Watch'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.



Austin, Texas  
July 14, 2021

**AUDITED FINANCIAL STATEMENTS**

Austin Youth River Watch  
 Statements of Financial Position  
*June 30, 2020 and 2019*

<b>Assets</b>	<b>2020</b>	<b>2019</b>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 288,355	\$ 177,759
Grants receivable	5,000	21,040
Contracts receivable	95,250	96,216
Pledges receivable with donor restrictions, current	-	1,500
Prepaid expenses	5,710	7,535
Total current assets	394,315	304,050
Property and equipment, net	142	3,908
Total assets	\$ 394,457	\$ 307,958
 <b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 2,000	\$ -
Accrued expenses	9,345	6,253
Total current liabilities	11,345	6,253
Note payable	48,100	-
Total liabilities	59,445	6,253
 <b>Net Assets:</b>		
Without donor restrictions	335,012	300,205
With donor restrictions	-	1,500
Total net assets	335,012	301,705
Total liabilities and net assets	\$ 394,457	\$ 307,958

*See accompanying notes to these financial statements.*

# Austin Youth River Watch

## Statement of Activities

*For the Fiscal Year Ended June 30, 2020*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenues and other support:			
Grants and contributions	\$ 34,463	\$ 158,745	\$ 193,208
Government grants and contracts	190,915	-	190,915
In-kind contributions	19,398	-	19,398
Interest income	216	-	216
Total revenues and other support	244,992	158,745	403,737
Special events:			
Special events revenues	14,421	-	14,421
Special events in-kind revenues	5,705	-	5,705
Special events expenses	(4,191)	-	(4,191)
Special events in-kind expenses	(5,705)	-	(5,705)
Special events, net	10,230	-	10,230
Net assets released from donor restrictions	160,245	(160,245)	-
Total revenues, support, and reclassifications	415,467	(1,500)	413,967
Expenses:			
Program services	327,003	-	327,003
Management and general	20,875	-	20,875
Fundraising	32,782	-	32,782
Total expenses	380,660	-	380,660
Total change in net assets	34,807	(1,500)	33,307
Net Assets:			
Beginning of period	300,205	1,500	301,705
End of period	\$ 335,012	\$ -	\$ 335,012

*See accompanying notes to these financial statements.*

## Austin Youth River Watch

### Statement of Activities

*For the Fiscal Year Ended June 30, 2019*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenues and other support:			
Grants and contributions	\$ 176,707	\$ 62,500	\$ 239,207
Government grants and contracts	196,887		196,887
In-kind contributions	25,070	-	25,070
Interest income	6	-	6
Total revenues and other support	398,670	62,500	461,170
Net assets released from donor restrictions	66,700	(66,700)	-
Total revenues, support, and reclassifications	465,370	(4,200)	461,170
Expenses:			
Program services	293,570	-	293,570
Management and general	18,300	-	18,300
Fundraising	30,128	-	30,128
Total expenses	341,998	-	341,998
Total change in net assets	123,372	(4,200)	119,172
Net Assets:			
Beginning of period	176,833	5,700	182,533
End of period	\$ 300,205	\$ 1,500	\$ 301,705

*See accompanying notes to these financial statements.*



Austin Youth River Watch  
Statement of Functional Expenses  
For the Fiscal Year Ended June 30, 2020

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries, wages, and benefits	\$ 197,701	\$ 15,446	\$ 22,996	\$ 236,143
Payroll taxes	14,872	1,050	1,575	17,497
Program student stipends	24,675	-	-	24,675
In-kind rent	16,000	1,000	1,000	18,000
Accounting services	11,331	252	1,007	12,590
Insurance	11,233	294	816	12,343
Utilities	8,900	583	871	10,354
Program supplies	8,714	1	4	8,719
Auto repairs and maintenance	6,033	-	-	6,033
General office expense	5,129	445	455	6,029
Program meals	5,330	38	-	5,368
Marketing	3,683	1,031	488	5,202
Auto-fuel	4,082	30	26	4,138
Depreciation expense	3,766	-	-	3,766
Subscriptions and memberships	2,861	64	254	3,179
Fundraising	-	-	3,067	3,067
In-kind goods and services	1,000	199	199	1,398
Travel	1,038	30	24	1,092
Miscellaneous	655	412	-	1,067
<b>Total expenses</b>	<b>\$ 327,003</b>	<b>\$ 20,875</b>	<b>\$ 32,782</b>	<b>\$ 380,660</b>
Percentage of total expenses	<b>86%</b>	<b>5%</b>	<b>9%</b>	<b>100%</b>

*See accompanying notes to these financial statements.*

Austin Youth River Watch  
Statement of Functional Expenses  
For the Fiscal Year Ended June 30, 2019

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	\$ 170,445	\$ 13,873	\$ 20,223	\$ 204,541
Payroll taxes	13,012	944	1,377	15,333
Program student stipends	22,980	-	-	22,980
In-kind rent	16,000	1,000	1,000	18,000
Insurance	9,837	175	319	10,331
Accounting services	8,806	174	782	9,762
Program supplies	9,350	3	12	9,365
Depreciation expense	9,137	-	-	9,137
Program meals	7,281	5	327	7,613
In-kind goods and services	3,072	1,575	2,423	7,070
Auto-fuel	6,958	-	-	6,958
Auto repairs and maintenance	4,701	-	-	4,701
Utilities	3,700	226	379	4,305
General office expense	2,882	174	388	3,444
Subscriptions and memberships	2,863	63	255	3,181
Marketing	2,070	46	951	3,067
Fundraising	257	4	1,668	1,929
Miscellaneous	162	4	14	180
Travel	24	34	10	68
Office repairs and maintenance	33	-	-	33
<b>Total expenses</b>	<b>\$ 293,570</b>	<b>\$ 18,300</b>	<b>\$ 30,128</b>	<b>\$ 341,998</b>
Percentage of total expenses	86%	5%	9%	100%

*See accompanying notes to these financial statements.*

## Austin Youth River Watch

### Statements of Cash Flows

*For the Fiscal Years Ended June 30, 2020 and 2019*

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 33,307	\$ 119,172
Adjustment to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	3,766	9,137
(Increase) decrease in operating assets:		
Grants receivable	16,040	(1,940)
Contracts receivable	966	(41,893)
Pledges receivable with donor restrictions	1,500	4,200
Prepaid expenses	1,825	(214)
Increase (decrease) in operating liabilities:		
Accounts payable	2,000	(1,531)
Accrued expenses	3,092	850
Deferred contract income	-	(8,008)
	<b>62,496</b>	<b>79,773</b>
<b>Cash flows from financing activities</b>		
Proceeds from note payable	48,100	-
Net cash provided by financing activities	<b>48,100</b>	<b>-</b>
Net change in cash and cash equivalents	<b>110,596</b>	<b>79,773</b>
Cash and cash equivalents, beginning of period	<b>177,759</b>	<b>97,986</b>
Cash and cash equivalents, end of period	<b>\$ 288,355</b>	<b>\$ 177,759</b>

*See accompanying notes to these financial statements.*

# Austin Youth River Watch

## Notes to Financial Statements

*For the Fiscal Years Ended June 30, 2020 and 2019*

### **Note 1 – Summary of Significant Accounting Policies**

#### **Nature of Activities**

The mission of Austin Youth River Watch (“River Watch”) is to transform and inspire underserved youth through environmental education, community engagement, and adventure. As a result of River Watch's work, youth are better prepared to create positive outcomes for themselves and the environment, ensuring a better future for all.

Formed in 1992, River Watch provides a multi-year after-school and summer program for high school students, combining peer mentoring with intensive environmental education. The students, “River Watchers,” collect, analyze, and publish water-quality data from 28 sites along Austin waterways and report their data to local and statewide agencies, as well as to the public. River Watchers also work with community partners on environmental restoration projects to improve watershed health throughout the Austin area. Finally, River Watchers engage in outdoor adventure opportunities to further instill a love of nature. River Watchers are deeply supported in reaching personal and academic goals, including high school graduation, and building leadership and life skills. River Watch’s primary sources of revenues are government grants and contracts and grants and contributions.

River Watch filed with the Texas Secretary of State in 2016 to change the official name of the nonprofit corporation from Colorado River Watch Foundation dba Austin Youth River Watch to Austin Youth River Watch. The Texas Secretary of State officially recognized the name change in December 2016.

#### **Basis of Accounting**

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred.

#### **Use of Estimates**

The preparation of financial statements 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 and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

# Austin Youth River Watch

## Notes to Financial Statements (continued)

*For the Fiscal Years Ended June 30, 2020 and 2019*

### **Note 1 – Summary of Significant Accounting Policies (continued)**

#### **Basis of Presentation**

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Financial statement presentation follows the recommendations from the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC 958). Accordingly, net assets of River Watch and changes therein are classified and reported as follows:

Net assets without donor restrictions – These types of net assets are not subject to donor-imposed stipulations. This also includes net assets with designations for specific purposes, since these designations may be reversed by the Board at any time in the future.

Net assets with donor restrictions – These types of net assets are subject to donor-imposed stipulations, which limit their use by River Watch to a specific purpose and/or the passage of time. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions.

#### **Federal Income Taxes**

Austin Youth River Watch is a not-for-profit organization exempt from Federal income taxes on their operating income under Section 501(c)(3) of the Internal Revenue Code, except to the extent of unrelated business income, if any.

The most significant tax positions of River Watch are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business income tax (UBIT). Management has determined that River Watch had no activity subject to UBIT during the fiscal years ended June 30, 2020 and 2019. All significant tax positions have been considered by management and it has determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities.

River Watch is required to file Form 990 (Return of Organization Exempt from Income Tax), which is subject to examination by the Internal Revenue Service (IRS) generally up to three years from the later of the original due date or the date the tax return was filed. The Forms 990 for the fiscal years ended June 30, 2019, 2018, and 2017 are open to examination by the IRS as of June 30, 2020.

## Austin Youth River Watch

### Notes to Financial Statements (continued)

*For the Fiscal Years Ended June 30, 2020 and 2019*

#### **Note 1 – Summary of Significant Accounting Policies (continued)**

##### **Fair Value of Financial Instruments**

River Watch follows FASB ASC 820, *Fair Value Measurements and Disclosures*, which relates to River Watch's financial assets and liabilities carried at fair value and the associated fair value disclosures. FASB ASC 820 defines fair value, expands related disclosure requirements and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There are three levels of inputs to fair value measurements – Level 1, meaning the use of quoted prices for identical instruments in active markets; Level 2, meaning the use of quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active or are directly or indirectly observable; and Level 3, meaning the use of unobservable inputs.

River Watch's financial instruments consist principally of cash and cash equivalents, grants receivable, contracts receivable, pledges receivable with donor restrictions, accounts payable, and accrued expenses. River Watch believes all of the financial instruments' recorded values approximate current market values.

##### **Date of Management's Review**

These financial statements considered subsequent events through July 14, 2021, the date the financial statements were available to be issued.

##### **Cash and Cash Equivalents**

River Watch considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

## Austin Youth River Watch

### Notes to Financial Statements (continued)

*For the Fiscal Years Ended June 30, 2020 and 2019*

#### **Note 1 – Summary of Significant Accounting Policies (continued)**

##### **Donations, Contributions, Pledges, and Grants Receivable**

Contributions, including promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. When donor restrictions expire, that is, when a stipulated time restriction ends or restricted purpose is accomplished, the related net assets with donor restrictions are reclassified to net assets without donor restrictions. This is reported in the statements of activities as net assets released from donor restrictions. River Watch did not have any conditional promises to give at June 30, 2020 and 2019.

Pledges and grants are recognized as revenues when the donor's commitment is received and are recognized at the estimated present value of the future net cash flows, net of allowances. All pledges and grants receivable are recorded at net realizable value at June 30, 2020 and 2019.

##### **Contributed Services**

Generally, when fair value of contributed professional services can be readily determined, a contribution received is recognized with an equal amount for expense incurred. Contributed services in the amount of \$1,398 and \$1,575, respectively, meet the criteria for recognition in the financial statements for the fiscal years ended June 30, 2020 and 2019.

In addition, countless individuals volunteer their time and perform a variety of tasks that are essential to River Watch in providing its program services. However, no amounts have been recognized in the accompanying financial statements because the criteria for recognition of such volunteer efforts under FASB ASC 958 have not been satisfied.

##### **Property and Equipment**

Property and equipment are stated at cost, if purchased, and at fair market value at date of gift, if received by donation. River Watch capitalizes assets with cost/fair value of \$1,000 or more and a useful life of more than one year. Provision has been made for depreciation of property and equipment using the straight-line method over an estimated useful life of three to five years. Upon the sale or retirement of depreciable assets, the related cost and accumulated depreciation are removed from the account. Any gain or loss on the sale or retirement is recognized in current operations.

## Austin Youth River Watch

### Notes to Financial Statements (continued)

*For the Fiscal Years Ended June 30, 2020 and 2019*

#### **Note 1 – Summary of Significant Accounting Policies (continued)**

##### **Allocation of Expenses**

The expense information contained in the statements of activities is presented on a functional basis. Accordingly, certain expenses are allocated among the programs and supporting services benefited. Expenses which cannot be specifically identified have been allocated based on management's best estimate of usage. Salaries, wages, and benefits and payroll taxes are allocated based on estimated time spent by the employees for each function. Depreciation is allocated on estimated usage in each function.

##### **Note 2 – Concentration of Risk**

Financial instruments which potentially subject River Watch to credit risk principally consist of cash and cash equivalents. To minimize the risk, River Watch places its temporary cash investments with high credit quality financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Effective January 1, 2013, deposit insurance coverage by the FDIC changed to \$250,000 per bank per entity for all interest bearing and non-interest bearing accounts. As of June 30, 2020 and 2019, River Watch had uninsured balances totaling \$8,109 and \$1,031, respectively. River Watch has not experienced any losses in these accounts in the past.

River Watch receives the majority of their funding from the City of Austin. During the fiscal years ended June 30, 2020 and 2019, River Watch received 45% and 37%, respectively, of its total revenues and support from the City of Austin. In addition, funding from the City of Austin represented 95% and 71% of total receivables at June 30, 2020 and 2019, respectively. In the event this funding was reduced or eliminated, it would have a major impact on River Watch (see Note 3).

##### **Note 3 – Grants and Contracts with Government Agencies**

River Watch considers all of its government grants and contracts to be exchange transactions and not contributions. River Watch recognizes revenues from these transactions as services are rendered and expenses are incurred.



## Austin Youth River Watch

### Notes to Financial Statements (continued)

*For the Fiscal Years Ended June 30, 2020 and 2019*

#### **Note 3 – Grants and Contracts with Government Agencies (continued)**

In September 2015, River Watch entered into a service contract with the City of Austin effective October 1, 2015. River Watch will be paid \$169,500 upon the successful completion of the scope of work for the first 12-month contract term, with three 12-month extension options in an amount not to exceed \$169,500 per extension option, for a total amount not to exceed \$678,000 for all fees and expenses. During September 2019, River Watch entered into a new service contract with the City of Austin totaling \$190,500, effective October 7, 2019. In addition, the contract may be extended for up to four additional 12-month periods at the City's sole option for \$190,500 annually for each extension option, for a total contract amount not to exceed \$952,500 for all fees and expenses. During the fiscal years ended June 30, 2020 and 2019, government grants and contract revenues from the City of Austin totaled \$185,250 and \$169,500, respectively.

#### **Note 4 – Pledges, Grants, and Contracts Receivable**

Pledges, grants and contracts receivable are due over various years and are summarized at June 30, 2020 and 2019 as follows:

	<b>2020</b>	<b>2019</b>
Due within one year	<b>\$ 100,250</b>	\$ 118,756
Total pledges, grants, and contracts receivable	<b>100,250</b>	118,756
Less: Current pledges, grants, and contracts receivable	<b>100,250</b>	118,756
Long-term pledges, grants, and contracts receivable	<b>\$ -</b>	\$ -

Pledges, grants, and contracts receivable have been analyzed and no allowance for uncollectable amounts have been made.

#### **Note 5 – In-Kind Lease Commitments**

River Watch entered into a lease agreement with the City of Austin, which commenced November 1, 2003 and is set to expire November 1, 2028. The City of Austin provides in-kind office and land facilities located in Austin, Texas to River Watch; thus, River Watch has recorded in-kind rent totaling \$18,000 for both fiscal years ended June 30, 2020 and 2019.

## Austin Youth River Watch

### Notes to Financial Statements (continued)

*For the Fiscal Years Ended June 30, 2020 and 2019*

#### Note 6 – Property and Equipment

At June 30, 2020 and 2019, property and equipment consisted of the following:

	<b>2020</b>	<b>2019</b>
Equipment	\$ 10,188	\$ 10,188
Vehicles	75,855	75,855
Furniture and fixtures	4,200	4,200
Less: accumulated depreciation	(90,101)	(86,335)
Property and equipment, net	\$ 142	\$ 3,908

Total depreciation expense was \$3,766 and \$9,137 for the fiscal years ended June 30, 2020 and 2019, respectively.

#### Note 7 – Net Assets With Donor Restrictions

River Watch had the following net assets with donor restrictions activity for the fiscal years ended June 30, 2020 and 2019:

	<b>Beginning Balance</b>	<b>Donations Received</b>	<b>Released from Restrictions</b>	<b>Ending Balance</b>
<b><u>2020</u></b>				
<b>Specified for Specific Purpose:</b>				
Core Program	\$ -	\$ 158,745	\$ (158,745)	\$ -
<b>Time restriction:</b>				
Pledges	1,500	-	(1,500)	-
<b>Total</b>	<b>\$ 1,500</b>	<b>\$ 158,745</b>	<b>\$ (160,245)</b>	<b>\$ -</b>

	<b>Beginning Balance</b>	<b>Donations Received</b>	<b>Released from Restrictions</b>	<b>Ending Balance</b>
<b><u>2019</u></b>				
<b>Specified for Specific Purpose:</b>				
Core Program	\$ -	\$ 62,500	\$ (62,500)	\$ -
<b>Time restriction:</b>				
Pledges	5,700	-	(4,200)	1,500
<b>Total</b>	<b>\$ 5,700</b>	<b>\$ 62,500</b>	<b>\$ (66,700)</b>	<b>\$ 1,500</b>

## Austin Youth River Watch

### Notes to Financial Statements (continued)

*For the Fiscal Years Ended June 30, 2020 and 2019*

#### **Note 8 – Pension Plan**

River Watch participates in an optional defined pension plan (the “Plan”) established under 403(b) of the Internal Revenue Code. River Watch provides regular full-time and part-time employees with an option to participate in the retirement plan. River Watch will contribute a discretionary matching amount directly to the participant’s account up to 6% of the employees’ annual salary. River Watch made no discretionary employer contributions to the Plan for both fiscal years ended June 30, 2020 and 2019.

#### **Note 9 – Liquidity and Availability of Financial Assets**

River Watch’s working capital and cash flows have seasonal variations during the fiscal year attributable to the timing of receipts of grants, contributions, contracts, and fundraisers.

The following reflects River Watch’s financial assets as of the statements of financial position date, reduced by amounts not available for general use within one year of the statements of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for expenditure in the following year.

	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 288,355	\$ 177,759
Grants receivable	5,000	21,040
Contracts receivable	95,250	96,216
Pledges receivable with donor restrictions, current	-	1,500
	<hr/>	<hr/>
Total financial assets, excluding noncurrent receivables	<b>388,605</b>	296,515
With donor restrictions	-	(1,500)
Add back: amounts available for donor-specified expenditures in following year	-	1,500
	<hr/>	<hr/>
Financial Assets Available to Meet Cash Needs For Expenditures Within One Year	<b>\$ 388,605</b>	<b>\$ 296,515</b>

## Austin Youth River Watch

### Notes to Financial Statements (continued)

*For the Fiscal Years Ended June 30, 2020 and 2019*

#### **Note 10 – Risks and Uncertainties**

On March 13, 2020, the Government of the United States declared the COVID-19 Pandemic (“COVID-19”) as a national emergency. COVID-19 has caused a significant impact on the United States economy affecting various businesses in different ways. COVID-19 may have an impact on future programming and events being held and future grants and contributions are uncertain. River Watch does not have insurance to cover the loss of revenues from these events in the case of a Pandemic. However, no adjustments have been made to these financial statements as a result of this uncertainty. See Notes 11 and 12 for disclosure of the PPP1 and PPP2 loans received in response to COVID-19.

#### **Note 11 – Note Payable**

In April 2020, River Watch was granted a note from Frost Bank, in the aggregate amount of \$48,100, pursuant to the Paycheck Protection Program (“PPP”) under the Coronavirus Aid, Relief and Economic Security (“CARES”) Act, which was enacted on March 27, 2020. The note was dated April 21, 2020 and matures on April 21, 2022. It bears interest at a rate of 1% per annum and monthly payments of \$2,672.22 were due starting on November 21, 2020. However, payments were automatically deferred to either: (1) the date that the SBA remits the borrowers forgiveness amount to the lender or (2) if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower’s loan forgiveness coverage period. Funds from the loan may only be used for payroll costs, rent, utilities, and interest on other debt obligations incurred before February 2020. River Watch intends to use the entire advance amount for qualifying expenses and account for it under FASB ASC 470 as debt. Under the terms of the PPP program, certain amounts of the note may be forgiven if they are used for qualifying expenses as described in the CARES Act and the Paycheck Protection Flexibility Act, which was enacted on June 5, 2020 and modified certain provisions of the CARES Act. As of June 30, 2020, the note balance is \$48,100.

Future maturities of the note payable at June 30, 2020, are as follows:

<b>Fiscal Years Ended June 30,</b>	<b>Amount</b>
2021	\$ -
2022	26,720
2023	21,380
Total	<u>\$ 48,100</u>

## Austin Youth River Watch

### Notes to Financial Statements (continued)

*For the Fiscal Years Ended June 30, 2020 and 2019*

#### **Note 12 – Subsequent Events**

River Watch received a second grant from the Paycheck Protection Program (“PPP2”) in the form of a loan from Frost Bank on March 22, 2021. This loan could be forgiven if River Watch uses the funds for specific costs over a specific period (either eight or twenty-four weeks) per the terms of the CARES Act and the Paycheck Protection Flexibility Act.

On March 24, 2021, the entire PPP1 loan balance of \$48,100 disclosed in Note 11 was forgiven by the SBA.