



Montemayor Britton Bender Carey PC

CERTIFIED PUBLIC ACCOUNTS

AUSTIN YOUTH RIVER WATCH

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

30 JUNE 2024



Montemayor Britton Bender Carey PC

CERTIFIED PUBLIC ACCOUNTANTS

Arturo Montemayor III CPA, President & CEO | Stacy Britton CPA, Shareholder | Sean Bender CPA, Shareholder
Danielle Guerrero, Shareholder | Sara Carey CPA, Shareholder

Board of Directors and Management
Austin Youth River Watch

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of Austin Youth River Watch (River Watchers), which comprise the statement of financial position as of 30 June 2024, and the related statements of activities and cash flows for the year 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 River Watchers as of 30 June 2024, and the changes in its net assets and its cash flows for the year 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 River Watchers 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.

Correction of Error

As discussed in Note 11 to the financial statements, certain errors resulted in the understatement of amounts reported for donor restricted net assets as of 30 June 2023. Accordingly, an adjustment has been made to restate net assets as of 30 June 2023 to correct these errors. Our opinion is not modified with respect to this matter.

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 River Watchers' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of 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

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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 River Watchers' 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 River Watchers' 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

Montemayor Britton Bender Carey PC

3 June 2025
Austin, Texas

AUSTIN YOUTH RIVER WATCH
STATEMENT OF FINANCIAL POSITION

30 JUNE 2024

ASSETS

Current assets

Cash	\$87,701
Government awards receivable	61,454
Contributions receivable	15,000
Prepaid expenses	<u>1,764</u>
	165,919

Fixed assets

30,745

\$196,664

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable	\$1,000
Accrued liabilities	<u>24,041</u>
	25,041

Net assets

Without donor restrictions	156,623
With donor restrictions - time restricted for use in fiscal year 2026	<u>15,000</u>
	<u>171,623</u>
	<u><u>\$196,664</u></u>

The accompanying notes are an integral part of this financial statement presentation.

AUSTIN YOUTH RIVER WATCH

STATEMENT OF ACTIVITIES

YEAR ENDED 30 JUNE 2024

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUE			
Government awards	\$197,786	\$0	\$197,786
Contributions	165,073	28,525	193,598
Contributed facilities	18,000	0	18,000
Other	7,847	0	7,847
Net assets released from restriction	<u>43,525</u>	<u>(43,525)</u>	<u>0</u>
	<u>432,231</u>	<u>(15,000)</u>	<u>417,231</u>
EXPENSES			
Program	575,384	0	575,384
Administrative	43,546	0	43,546
Fundraising	<u>55,955</u>	<u>0</u>	<u>55,955</u>
	<u>674,885</u>	<u>0</u>	<u>674,885</u>
CHANGE IN NET ASSETS	(242,654)	(15,000)	(257,654)
BEGINNING NET ASSETS, restated	<u>399,277</u>	<u>30,000</u>	<u>429,277</u>
ENDING NET ASSETS	<u>\$156,623</u>	<u>\$15,000</u>	<u>\$171,623</u>

The accompanying notes are an integral part of this financial statement presentation.

AUSTIN YOUTH RIVER WATCH

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	(\$257,654)
Depreciation expense	10,544
Change in government awards receivable	(13,829)
Change in contributions receivable	15,000
Change in prepaid expenses	6,261
Change in accounts payable	(161)
Change in accrued liabilities	<u>(1,054)</u>

NET CHANGE IN CASH	(240,893)
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BEGINNING CASH	<u>328,594</u>
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ENDING CASH	<u><u>\$87,701</u></u>
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The accompanying notes are an integral part of this financial statement presentation.

AUSTIN YOUTH RIVER WATCH

NOTES TO FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION

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

Formed in 1992, River Watchers provides a multi-year after-school and summer program for high school students, combining peer mentoring with intensive environmental education. The students, 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 works with community partners on environmental restoration projects to improve watershed health throughout the Austin area. Finally, River Watchers engages in outdoor adventure opportunities to further instill a love of nature. River Watchers is deeply supported in reaching personal and academic goals, including high school graduation, and building leadership and life skills. River Watchers' primary sources of revenues are government awards and contributions.

River Watchers 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

River Watchers uses the accrual basis method of accounting. Revenue is recorded as it is considered earned regardless of when cash is received. Expenses are recorded when incurred regardless of when paid.

ESTIMATES

The preparation of financial statements in conformity with U.S. 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, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BASIS OF PRESENTATION

Net assets are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions

Net assets subject to donor imposed restrictions. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be

maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

FIXED ASSETS

Property and equipment are capitalized at cost if the value of the item is more than \$1,000 and the estimated useful service life of the item is more than one year. Donations of fixed assets are recorded as support at their estimated fair value at the date of donation. 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.

CONTRIBUTIONS

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.

GOVERNMENT AWARDS AND CONTRIBUTIONS RECEIVABLE

At year end, River Watchers had amounts due from the City of Austin for allowable costs incurred under grants agreements contributions receivable. All amounts due are considered collectable at year end and as such, no allowance is deemed necessary. Accounts are considered past due at 30 days late.

FEDERAL INCOME TAXES

River Watchers is exempt from Federal income taxes under IRS Code Section 501(c)(3). Therefore, no provision has been made for Federal income taxes in the accompanying financial statements. River Watchers' policy is to record interest and penalties related to income taxes as interest and other expense, respectively. At 30 June 2024 no interest and penalties have been or are required to be accrued.

FUNCTIONAL ALLOCATION OF EXPENSES

River Watchers incurs some expenses that are applicable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. These expenses are allocated on the basis of estimated time and effort spent by personnel for each function and management's review and analysis of individual transactions and costs. Accounts that are allocated are payroll and related, rent, utilities and maintenance, professional fees, automobile, insurance, office supplies, and other expenses.

SUBSEQUENT EVENTS

River Watchers has evaluated subsequent events as of the date of the Independent Auditor's Report, the date the financial statements were available to be issued.

NOTE 3: CONCENTRATIONS

47% of total revenue was from one source. 100% of government awards receivable are due from one source and 100% of contributions receivable are due from one source.

NOTE 4: FIXED ASSETS

Furniture and fixtures	\$4,200
Equipment	21,652
Vehicles	118,119
Accumulated depreciation	<u>(113,226)</u>
	<u>\$30,745</u>

NOTE 5: CONTRIBUTED FACILITIES

River Watchers entered into a lease agreement with the City of Austin, which commenced 1 November 2003 and is set to expire 1 November 2028. The City of Austin provides contributed office and land facilities located in Austin, Texas to River Watchers. River Watchers has recorded contributed rent totaling \$18,000 for the year. The valuation inputs used to arrive at the fair value were publicly available commercial real estate rental listings for comparable office space. This agreement is cancellable with 90 days notice. The contributed space is used for River Watcher' program activities.

NOTE 6: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, within one year of the statement of financial position date, comprise the following:

Cash	\$87,701
Government awards receivable	61,454
Contributions receivable	<u>15,000</u>
	<u>\$164,155</u>

As part of River Watchers' liquidity management, financial assets are structured to be available as general expenditures, liabilities, and other obligations come due. The policy is that monthly revenues are to cover monthly expenses. Monthly revenues and expenditures are deposited in and deducted from River Watchers' operating accounts.

NOTE 7: RETIREMENT PLAN

River Watchers participates in an optional defined contribution pension plan (the "Plan") established under 403(b) of the Internal Revenue Code. River Watchers provides regular full—time and part—time employees with an option to participate in the retirement plan. River Watchers will contribute a discretionary matching amount directly to the participant's account up to 3% of the employees' annual salary. River Watchers made discretionary employer contributions of \$8,547 to the Plan during the year.

NOTE 8: COST-REIMBURSEMENT GRANTS

A significant portion of River Watchers' revenue is derived from cost-reimbursement government grants, which are conditioned upon the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when River Watchers has incurred expenditures in compliance with specific contract provisions. Cash amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. There were no refundable advances at year-end. River Watchers has been awarded cost reimbursable grants of \$83,083 that have not been recognized as revenue at 30 June 2024 because qualifying expenditures have not been incurred.

NOTE 9: FUNCTIONAL ALLOCATION OF EXPENSES

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and related	\$385,475	\$36,482	\$47,242	\$469,199
Student stipend	52,869	0	0	52,869
Automobile	39,121	0	0	39,121
Professional fees	23,654	1,015	2,558	27,227
Rent	16,200	360	1,440	18,000
Utilities and maintenance	13,457	2,341	495	16,293
Office supplies	14,074	433	277	14,784
Insurance	13,725	129	744	14,598
Other	<u>16,809</u>	<u>2,786</u>	<u>3,199</u>	<u>22,794</u>
	<u>\$575,384</u>	<u>\$43,546</u>	<u>\$55,955</u>	<u>\$674,885</u>

NOTE 10: RELEASE OF NET ASSETS FROM DONOR RESTRICTION

Satisfaction of purpose restrictions during the year:

Staff, materials, and student stipends	\$28,525
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Release of time restriction during the year:

For use in fiscal year 2024	<u>15,000</u>
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\$43,525

NOTE 11: PRIOR PERIOD ADJUSTMENT

As of 30 June 2023, net assets with donor restrictions were understated by \$30,000 as a result of unrecorded contributions receivable. A prior period adjustment has been recorded to restate beginning net assets. The change in net assets increased by \$30,000 for the year ended 30 June 2023 as a result of this adjustment.