

Ohio River Foundation

**Financial Statements
for the Year Ended
December 31, 2023
and Independent Auditors' Report**



LOCEY, MITCHELL
— & Associates —
CERTIFIED PUBLIC ACCOUNTANTS

Connecting with the Community

Independent Auditors' Report

To the Board of Trustees of
Ohio River Foundation

Opinion

We have audited the accompanying financial statements of Ohio River Foundation (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets (modified cash basis) as of December 31, 2023, and the related statements of support, revenue, expenses, and changes in net assets (modified cash basis), functional expenses (modified cash basis) and cash flows (modified cash basis) 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 Ohio River Foundation as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 2 to the financial statements.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ohio River Foundation 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.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 the modified cash basis of accounting as described in Note 2 to the financial statements, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Auditors' 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 auditors' 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 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 Ohio River Foundation'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 Ohio River Foundation'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.

Locey, Mitchell & Associates, Ltd.
Certified Public Accountants
Cincinnati, Ohio

June 24, 2024

Ohio River Foundation

Statement of Assets, Liabilities, and Net Assets (Modified Cash Basis)

December 31, 2023

Assets

Cash and cash equivalents	\$	455,948
Grants receivable (no allowance for doubtful accounts necessary)		91,805
Miscellaneous assets		<u>250</u>
Total Assets	\$	<u>548,003</u>

Liabilities and Net Assets

Accounts payable	\$	1,947
Accrued bonuses		<u>9,225</u>
Total Liabilities		11,172

Net Assets

Without donor restrictions		120,287
With donor restrictions		<u>416,544</u>
Total Net Assets		<u>536,831</u>
Total Liabilities and Net Assets	\$	<u>548,003</u>

See notes to the financial statements.

Ohio River Foundation**Statement of Support, Revenue, Expenses, and Changes in Net Assets (Modified Cash Basis)
For the Year Ended December 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grant income	\$ 5,139	\$ 517,057	\$ 522,196
Contributions	79,887	6,568	86,455
Fundraising income	155,355	-	155,355
Program fees	80,432	-	80,432
Interest income	1,899	-	1,899
Net assets released from restriction	314,578	(314,578)	-
Total Revenue and Support	637,290	209,047	846,337
Expenses			
Program services	361,962	-	361,962
Management and general	71,421	-	71,421
Fundraising	151,796	-	151,796
Total Expenses	585,179	-	585,179
Change in Net Assets	52,111	209,047	261,158
Net Assets - January 1, 2023	68,176	207,497	275,673
Net Assets - December 31, 2023	<u>\$ 120,287</u>	<u>\$ 416,544</u>	<u>\$ 536,831</u>

See notes to the financial statements.

Ohio River Foundation

**Statement of Functional Expenses (Modified Cash Basis)
For the Year Ended December 31, 2023**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Expenses				
Salaries	\$ 243,747	\$ 20,401	\$ 57,537	\$ 321,685
Payroll taxes and benefits	54,373	11,542	4,641	70,556
Accounting services	1,495	10,086	1,276	12,857
Payroll processing fees	1,068	3,962	-	5,030
Advertising and promotion	-	-	2,354	2,354
Office expenses	1,690	6,708	1,988	10,386
Information technology	2,641	1,933	7,068	11,642
Mileage and travel reimbursements	25,578	1,452	3,157	30,187
Insurance	-	798	-	798
Professional fees	-	276	-	276
Supplies	26,163	4,166	475	30,804
Storage and equipment rental	3,448	177	-	3,625
Professional development	35	1,035	160	1,230
Event costs	1,671	8,108	73,140	82,919
Miscellaneous	53	777	-	830
Total Expenses	<u>\$ 361,962</u>	<u>\$ 71,421</u>	<u>\$ 151,796</u>	<u>\$ 585,179</u>

See notes to the financial statements.

Ohio River Foundation

**Statement of Cash Flows (Modified Cash Basis)
For the Year Ended December 31, 2023**

Cash Flows from Operating Activities

Change in net assets	\$ 261,158
Change in operating assets and liabilities	
Grants receivable	(66,805)
Miscellaneous assets	(250)
Accounts payable	1,947
Accrued bonuses	<u>9,225</u>
Net Cash and Cash Equivalents Provided by Operating Activities	<u>205,275</u>
Net Change in Cash and Cash Equivalents	205,275
Cash and Cash Equivalents - January 1, 2023	<u>250,673</u>
Cash and Cash Equivalents - December 31, 2023	<u>\$ 455,948</u>

See notes to the financial statements.

Ohio River Foundation

Notes to the Financial Statements For the Year Ended December 31, 2023

1. Organization

Ohio River Foundation (the "Organization") is a nonprofit organization which is dedicated to protecting and improving the water quality and ecology of the Ohio River and all waters in its eleven-state watershed. The Organization works towards these goals through environmental education and conservation activities that serve to inspire environmental stewardship. The Organization is a regional organization that works in the 200,000 square mile Ohio River watershed to educate-build an informed citizenry; advocate-advance pollution reduction and encourage enforcement of environmental laws and regulations; and remove small dams and invasive species, and restore native habitats to create climate resilient habitats. The Organization is supported by more than 1,500 members, donors, and volunteers.

2. Summary of Significant Accounting Policies

Basis of Accounting – The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Modifications to the cash basis of accounting relate to recording revenue and grants receivable on grant revenue when grants are awarded not when they are received and recording of expenses in the period incurred and not when paid. All non-grant revenues are recorded when received rather than when they are incurred. Expenses are recorded at they are paid and not when a liability is incurred.

Basis of Presentation – Under the modified cash basis of accounting as described above, the Organization is required to report information regarding their financial position and activities according to two classes of net assets. Net assets, revenue and support are classified based on the existence or absence of donor-imposed.

Assets Without Donor Restrictions represent all contributions that are available for general activities and not subject to donor restrictions.

Assets With Donor Restrictions represent gifts that are subject to donor-imposed restrictions, either for a specific purpose or subject to the passage of time. When the restriction expires, the net assets are reclassified to assets without donor restrictions.

Estimates – The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts of assets, revenue, and expenses as well as disclosures of contingent assets and liabilities. Actual results may differ from those estimates.

Cash and Cash Equivalents – The Organization considers bank deposits and all highly liquid investments with original maturity dates of three months or less to be cash equivalents. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk. The Organization has cash equivalents at December 31, 2023 of \$201,900.

Supplemental Cash Flow Information – As of December 31, 2023:

Cash	\$ 253,950
Cash equivalents	<u>201,998</u>
Cash and cash equivalents	<u>\$ 455,948</u>

Grants Receivable – Grants receivable consist of grants awarded but not yet paid to the Organization. Amounts are reported net of the allowance for doubtful accounts. If amounts become uncollectible, they are charged to operations as bad debt when that determination is made that the amount is unlikely to be collected.

Revenue Recognition – The Organization records revenue from grant funds received from government agencies when the grants are awarded. Reimbursement type grants are classified as conditional contributions rather than program service revenue. Grant revenue is recognized when awarded and not when received.

All non-grant revenue is recorded when received and not when earned.

Contributions and Support – Contributions received are recorded as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of support, revenue, expenses and changes in net assets (modified cash basis) as net assets released from restrictions. Conditional contributions are recognized when the conditions on which they depend are substantially met.

Functional Allocation of Expenses – The costs of providing various programs and related supporting services have been summarized on a functional basis in the statement of functional expenses (modified cash basis). Accordingly, costs have been allocated to the appropriate programs and supporting services.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include salaries, payroll tax and benefits, payroll processing fees, advertising and promotion, office expenses, information technology, mileage and travel reimbursements, professional fees, supplies, professional development, and miscellaneous expenses which are allocated based on a time utilization schedule.

Tax Status – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue code. The Organization is required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Organization has no other tax positions which must be considered for disclosure. The Organization holds no uncertain tax positions and, therefore, has no policy for evaluating them.

3. Net Assets with Donor Restrictions

Net assets with donor restrictions subject to special purpose restrictions as of December 31, 2023 consisted for the following:

Conservation

Accenture	\$ 2,864
Cargill	125,000
Edelweiss	19,139
Grassy Creek	87,827
Nippert	28,000
TC Energy	11,000
U.S Fish and Wildlife – Chapeze	679
U.S. Fish and Wildlife – Whitewater	10,000

Education

Gardner	60,000
Haile	681
Harrison	8,902
INEOS	6,568
Jack Smith	7,309
Jergens	8,490
LTS	10,000
PNC Columbus	7,711
PNC Schroth	13,946
Riley	2,500
Valvoline	654

Communication

Luther	<u>30,274</u>
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Total assets with donor restrictions	<u>\$ 441,544</u>
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The special purpose restrictions were met for the following assets during the year ended December 31, 2023:

<u>Conservation</u>	
Accenture	\$ 9,032
Cargill	50,000
Dater	25,000
Duke	25,440
Edelweiss	861
Grassy Creek	3,086
Nippert	25,000
Sule	967
TC Energy	10,000
 <u>Education</u>	
Coors Seltzer	373
Gardner	19,352
Haile	14,319
Harrison	22,003
Honda	18,292
IP	1,150
Jack Smith	2,691
Jergens	9,233
NLT	15,000
PNC Columbus	6,939
PNC Schroth	11,054
Schott	10,421
Sullivan Foundation	1,536
Toyota MMK	7,105
Valvoline	5,998
 <u>Communication</u>	
Luther	<u>19,726</u>
 Net assets released from restriction	 <u>\$ 314,578</u>

4. Liquidity and Availability

The following reflects the Organization's financial assets as of December 31, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year.

Cash and cash equivalents	\$ 455,948
Grants receivable	<u>91,805</u>
 Financial assets available at December 31, 2023	 547,753
Less: Assets with donor restrictions (see note 3)	<u>(416,544)</u>
 Financial assets available for general expenditures within one year	 <u>\$ 131,209</u>

The Organization is substantially supported by contributions, which may contain donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

5. Contingencies

Financial awards from governmental entities in the form of grants are subject to compliance audits. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits as the Organization does not believe it is at risk of such loss.

6. Date of Management's Review

The Organization evaluated subsequent events through June 24, 2024 which is the date the financial statements were available to be issued. No subsequent events were identified that required adjustment or disclosure within the financial statements.



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make communities thrive!

loceymitchell.com
4760 Red Bank Expressway, Suite 222
Cincinnati, OH 45227
(513) 281-3333