

***FRIENDS OF THE NORTH FORK OF  
THE SHENANDOAH RIVER, INC.***

***FINANCIAL STATEMENTS***

***December 31, 2014***

**FRIENDS OF THE NORTH FORK OF  
THE SHENANDOAH RIVER, INC.**

**TABLE OF CONTENTS**

	<u>Page</u>
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes To Financial Statements	6



## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors  
Friends of the North Fork of the Shenandoah River, Inc.  
Harrisonburg, VA

Management is responsible for the accompanying financial statements of Friends of the North Fork of the Shenandoah River, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

*Martin, Beachy & Arehart, PLLC*

Harrisonburg, Virginia  
December 2, 2015

**FRIENDS OF THE NORTH FORK OF THE SHENANDOAH RIVER, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2014**  
**(See Accountant's Compilation Report)**

ASSETS

Cash and cash equivalents	\$ 209,819
Prepaid expenses	<u>2,250</u>
	<u>\$ 212,069</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accrued expenses	\$ 4,189
Payroll taxes payable	<u>5,521</u>
	<u>9,710</u>

NET ASSETS

Unrestricted	179,191
Temporarily restricted	<u>23,168</u>
	<u>202,359</u>
	<u>\$ 212,069</u>

See accompanying notes to financial statements.

**FRIENDS OF THE NORTH FORK OF THE SHENANDOAH RIVER, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2014**  
**(See Accountant's Compilation Report)**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>CHANGE IN NET ASSETS</b>			
<b>REVENUES, GAINS AND SUPPORT</b>			
Contributions and grants	\$ 65,746	\$ 23,168	\$ 88,914
Special Event Income	40,944	-	40,944
Less: Expenses	(8,016)	-	(8,016)
Membership dues	28,316	-	28,316
Miscellaneous income	1,232	-	1,232
Net assets released from restrictions	<u>23,400</u>	<u>(23,400)</u>	<u>-</u>
<b>TOTAL REVENUES, GAINS AND SUPPORT</b>	<u>151,622</u>	<u>(232)</u>	<u>151,390</u>
<b>FUNCTIONAL EXPENSES:</b>			
Program	112,637	-	112,637
Management and general	15,278	-	15,278
Fundraising	<u>12,866</u>	<u>-</u>	<u>12,866</u>
	<u>140,781</u>	<u>-</u>	<u>140,781</u>
<b>CHANGE IN NET ASSETS</b>	<b>10,841</b>	<b>(232)</b>	<b>10,609</b>
<b>BEGINNING NET ASSETS</b>	<u>168,350</u>	<u>23,400</u>	<u>191,750</u>
<b>ENDING NET ASSETS</b>	<u>\$ 179,191</u>	<u>\$ 23,168</u>	<u>\$ 202,359</u>

See accompanying notes to financial statements.

**FRIENDS OF THE NORTH FORK OF THE SHENANDOAH RIVER, INC.**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2014**  
**(See Accountant's Compilation Report)**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 10,609
Adjustments to reconcile the change in net assets to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Prepaid expenses	(2,250)
Accrued expenses	4,189
Payroll taxes payable	<u>2,332</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>14,880</u>
 NET INCREASE IN CASH	 14,880
CASH AT BEGINNING OF YEAR	<u>194,939</u>
CASH AT END OF YEAR	<u><u>\$ 209,819</u></u>

See accompanying notes to financial statements.

**FRIENDS OF THE NORTH FORK OF THE SHENANDOAH RIVER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2014**  
**(See Accountant's Compilation Report)**

	PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE	FUNDRAISING	TOTAL
Salaries, wages and fringe benefits	\$ 61,828	\$ 10,508	\$ 8,433	\$ 80,769
Contracted services	10,520	-	-	10,520
Information technology	5,743	988	784	7,515
Rent	5,355	630	315	6,300
Payroll taxes	4,375	753	597	5,725
Supplies	4,885	241	-	5,126
Printing and postage	2,971	386	1,364	4,721
Insurance	3,529	607	482	4,618
Office expenses	3,795	274	217	4,286
Professional fees	2,369	407	324	3,100
Travel	2,377	147	117	2,641
Conferences, training and seminars	1,872	-	-	1,872
Telephone	911	157	124	1,192
Dues, fees and subscriptions	929	59	47	1,035
Donations	500	-	-	500
Repairs and maintenance	383	45	22	450
Miscellaneous	295	51	40	386
Taxes and licenses	-	25	-	25
<b>TOTAL</b>	<b><u>\$ 112,637</u></b>	<b><u>\$ 15,278</u></b>	<b><u>\$ 12,866</u></b>	<b><u>\$ 140,781</u></b>

See accompanying notes to financial statements.

**FRIENDS OF THE NORTH FORK OF THE SHENANDOAH RIVER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Friends of the North Fork of the Shenandoah River, Inc. (the Organization) was founded in 1988 with the mission of keeping the North Fork of the Shenandoah River clean, healthy and beautiful through advocacy, community action, education and science. The Organization's primary funding sources are contributions from the general public, grants from other organizations, and membership dues.

**Basis of Presentation**

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Cash and Cash Equivalents**

The Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

**Recognition of Donor Restrictions**

Support that is restricted by the donor is reported as an increase in unrestricted net assets 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 temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Expense Allocation**

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**Income Tax Status**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Organization other than a private foundation under Section 509(a)(2).

The Organization's federal Return of Organization Exempt From Income Tax information returns (Form 990) and Exempt Organization Business Income Tax Return (Form 990-T) are subject to examination by the Internal Revenue Service for three years after they were filed. The Organization is generally no longer subject to examination by the Internal Revenue Services for years before 2011.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



**FRIENDS OF THE NORTH FORK OF THE SHENANDOAH RIVER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Date of Management's Review**

Subsequent events were evaluated through December 2, 2015, which is the date the financial statements were available to be issued.

**NOTE B – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at December 31, 2014 were available for the following purposes:

Chesapeake Bay Funders Network Capacity Building Initiative Grant	\$	13,634
Chesapeake Bay Restoration Fund Grant		2,034
Dominion Foundation Grant		<u>7,500</u>
	\$	<u><u>23,168</u></u>