

**COLORADO RIVER WATCH FOUNDATION
DBA AUSTIN YOUTH RIVER WATCH**

*FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
FOR YEAR ENDED JUNE 30, 2010*



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**COLORADO RIVER WATCH FOUNDATION
DBA AUSTIN YOUTH RIVER WATCH**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Colorado River Watch Foundation
Db a Austin Youth River Watch

I have audited the accompanying statement of financial position of Colorado River Watch Foundation db a Austin Youth River Watch (a nonprofit corporation) as of June 30, 2010, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibilities of management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Colorado River Watch Foundation db a Austin Youth River Watch as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Renee J Barry, CPA

Austin, Texas
June 14, 2011

**COLORADO RIVER WATCH FOUNDATION
DBA AUSTIN YOUTH RIVER WATCH
STATEMENT OF FINANCIAL POSITION
June 30, 2010**

ASSETS

Current Assets

Cash and cash equivalents	\$ 38,854
Accounts receivable	<u>143,679</u>

Total Current Assets \$ 182,533

Property and Equipment

Property and equipment, net of accumulated depreciation	<u>\$ 14,647</u>
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Net property and equipment \$ 14,647

Total Assets \$ 197,180

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued expenses	\$ 4,364
	<u>-</u>
	4,364

Total Liabilities \$ 4,364

Net Assets

Unrestricted net assets	\$ 192,816
Temporarily restricted	<u>-</u>

Total Net Assets \$ 192,816

Total Liabilities and Net Assets \$ 197,180

The accompanying notes are an integral part of these financial statements

**COLORADO RIVER WATCH FOUNDATION
DBA AUSTIN YOUTH RIVER WATCH
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and other Support				
Contracts	\$ 205,643	\$ -	\$ -	\$ 205,643
Contributions	3,341	-	-	3,341
Total revenues, gains and other support	<u>\$ 208,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,984</u>
Program Services				
Program services	\$ 160,167	\$ -	\$ -	\$ 160,167
Management and general	26,243	-	-	26,243
Fundraising	6,311	-	-	6,311
Total expenses	<u>\$ 192,721</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,721</u>
Change in Net Assets	<u>\$ 16,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,263</u>
Net Assets				
Beginning Balance (unaudited)	\$ 179,442	\$ -	\$ -	\$ 179,442
Prior year depreciation expense adjustment	(2,889)	-	-	(2,889)
Beginning Balance (unaudited-adjusted)	<u>\$ 176,553</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,553</u>
End of the year	<u>\$ 192,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,816</u>

The accompanying notes are an integral part of these financial statements

**COLORADO RIVER WATCH FOUNDATION
DBA AUSTIN YOUTH RIVER WATCH
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2010**

Cash flows from operating activities	
Change in net assets	\$ 16,263
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities</i>	
<i>Depreciation</i>	8,383
<i>(Increase) decrease in assets</i>	
Increase in accounts receivable	(47,679)
<i>Increase (decrease) in liabilities</i>	
Increase in accounts payable and accrued expenses	2,197
Decrease in unearned revenue	<u>(40,000)</u>
Net Cash Provided by (Used) Operating Activities	<u>\$ (60,836)</u>
Net Increase (Decrease) in cash and cash equivalents	(60,836)
CASH	
Cash and cash equivalents at the beginning of the year (unaudited)	<u>99,690</u>
Cash and cash equivalents at the end of the year	<u><u>\$ 38,854</u></u>
Supplemental information:	
Interest paid this year	<u>\$ -</u>
Taxes paid this year	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

**COLORADO RIVER WATCH FOUNDATION
DBA AUSTIN YOUTH RIVER WATCH
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2010**

EXPENSES	Program Services	Management & General	Fundraising	Total
Salaries and wages	\$ 65,880	\$ 17,568	\$ 4,392	\$ 87,840
Benefits	10,819	2,885	721	14,425
Payroll taxes	5,107	1,362	340	6,809
Accounting services	4,087	1,090	273	5,450
Auto repairs and maintenance	2,660	-	-	2,660
Auto-fuel	4,309	-	-	4,309
Communication	1,466	391	98	1,955
Contract labor	262	70	18	350
Depreciation expense	8,383	-	-	8,383
General office expense	4,482	1,195	299	5,976
Insurance	4,243	1,000	-	5,243
Marketing	159	-	-	159
Office repairs and maintenance	127	34	8	169
Penalties and fees	804	215	54	1,073
Professional fees	6,762	-	-	6,762
Program materials	1,201	-	-	1,201
Program meals	7,852	-	-	7,852
Program student stipends	29,855	-	-	29,855
Program supplies	83	-	-	83
Staff development	229	61	15	305
Subscriptions and memberships	226	60	15	301
Utilities	1,171	312	78	1,561
Total Expenses	\$ 160,167	\$ 26,243	\$ 6,311	\$ 192,721

The accompanying notes are an integral part of these financial statements

COLORADO RIVER WATCH FOUNDATION
(A Nonprofit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

The Colorado River Watch Foundation DBA Austin Youth River Watch (Organization) advances personal and academic achievement through environmental monitoring, education, and adventure. Formed in 1992, it is an after-school and summer program for high school students, combining peer learning and empowerment with intensive environmental education.

The students-the River Watchers-lead Austin's efforts to study and understand water quality in area streams, lakes, and rivers. The River Watchers collect and analyze various types of data on these waterways, and they report their data to local and statewide agencies, as well as to the public. Along the way, as part of the organization's intensive multi-year program, these "at-risk" high school students learn peer mentoring and leadership skills, and they are deeply supported in reaching personal and academic goals, including high school graduation. Austin Youth River Watch serves about 115 students annually, monitoring water quality at 22 freshwater sites around Austin.

Basis of Accounting

The financial records of the Organization are maintained on the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred. The financial statements have been prepared under generally accepted accounting principles.

Donated Services

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in carrying out its activities. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under SFAS no. 116 have not been satisfied.

Financial Statement 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.

Unrestricted net assets are not subject to donor-imposed restrictions.

Temporarily restricted net assets are subject to donor-imposed stipulations that require the passage of time or the occurrence of a specific event. When the donor restriction expires, the temporarily restricted net assets are reclassified to unrestricted net assets. As of June 30, 2010, the Organization had no temporarily restricted net assets.

Permanently restricted net assets are subject to donor-imposed stipulations that are maintained permanently. The Organization has no permanently restricted net assets as of June 30, 2010.

COLORADO RIVER WATCH FOUNDATION
(A Nonprofit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued)

Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases 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 and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Organization's cash and cash equivalents consist of cash on hand, amounts in demand deposits and short-term debt securities with a maturity of three months or less as cash equivalents.

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.

Income Taxes

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Therefore, no provision for income taxes is made in the accompanying financial statements.

Fixed Assets

Fixed assets are reported at cost, or if donated, the Organization uses the estimated fair market value at the date of donation. The Organization capitalizes assets with a cost/fair value of \$250 or more and a useful life of more than one year. Depreciation expense is computed over the estimated useful lives of the fixed assets (generally 3- 5 years) using the straight-line method. Upon the sale or retirement of depreciable assets, the related cost and accumulated depreciation or amortization are removed from the accounts. Any gain or loss on the sale or retirement is recognized in current operations. Depreciation expense totaling \$8,383 was charged to operations during the year ended December 31, 2010.

Equipment	\$ 1,151
Vehicles	<u>41,466</u>
	\$ 42,617
Accumulated depreciation	<u>(27,970)</u>
Total Fixed Assets	\$ 14,647

COLORADO RIVER WATCH FOUNDATION
(A Nonprofit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued)

Accounts Receivable

Accounts receivables consist of funds due from the City of Austin as of June 30, 2010. No allowance for bad debt was recognized as management expects to fully collect all receivables due.

Cost Allocations

The Organization allocates common costs, such as salaries, postage, supplies, telephone, and other expenses between program services and supporting services depending on the estimated activities of the Organization. The resulting allocations are reviewed periodically, and the allocation revised, if necessary, to reflect changes in the activities.

NOTE 2 – CREDIT RISK

Financial instruments which potentially subject the Organization to credit risk consist of cash accounts. The Organization's deposits did not exceed the federal depository insurance limits as June 30, 2010.

The Organization receives the majority of their funding from the City of Austin. In the event this funding was reduced or eliminated, it would have a major impact on the organization.

NOTE 3 – SUBSEQUENT EVENTS

In preparing these financial statements, events and transactions have been evaluated for potential recognition or disclosure through June 14, 2011, the date the financial statements were available to be issued.