

# GREATER EDWARDS AQUIFER ALLIANCE

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## AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

Includes the audited financial statements for Greater Edwards Aquifer Alliance for the year ended December 31, 2009 with independent auditor's report.

# GREATER EDWARDS AQUIFER ALLIANCE

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**BARRETT, COOPER & ASSOCIATES, P.C.**

**(Certified Public Accountants)**

**204 MILL STREET**

**SCHERTZ, TEXAS 78154**

To the Board of Directors of  
Greater Edwards Aquifer Alliance  
San Antonio, Texas 78212

We have audited the accompanying statement of financial position of the Greater Edwards Aquifer Alliance (a nonprofit organization) as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Alliance's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Alliance's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit the financial statements referred to above present fairly, in all material respects, the financial position of the Greater Edwards Aquifer Alliance as of December 31, 2009, 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.

*BARRETT, COOPER & ASSOCIATES*

October 6, 2010

**GREATER EDWARDS AQUIFER ALLIANCE**  
**Statement of Financial Position**  
**December 31, 2009**

**Assets**

Current Assets

Cash	\$	34,380
Grants Receivable		7,500
Other Receivables		7
<b>Total Current Assets</b>		<u>41,887</u>

Fixed Assets, (net of accumulated depreciation) 2,989

**Total Assets** \$ 44,876

**Liabilities and Net Assets**

Current Liabilities

Payroll Liabilities	\$	<u>5,256</u>
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**Total Current Liabilities** 5,256

**Net Assets**

Unrestricted Net Assets	22,475
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Temporarily Restricted Net Assets	<u>17,145</u>
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**Total Net Assets** 39,620

**Total Liabilities and Net Assets** \$ 44,876

See accompanying notes to financial statements

**GREATER EDWARDS AQUIFER ALLIANCE**  
**Statement of Activities**  
**Year Ended December 31, 2009**

<b>Public Support and Revenue</b>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Contributions and Member donations	\$ 101,469	\$	\$ 101,469
Grants		159,924	159,924
Special Events, net of cost of	14,630		14,630
Rental Income	5,595		5,595
Other Income	773		773
<b>Total Public Support and Revenue</b>	<u>122,467</u>	<u>159,924</u>	<u>282,391</u>
<b>Net Assets Released From Restriction</b>	<u>142,779</u>	<u>(142,779)</u>	<u>0</u>
<b>Total Revenues and Other Support</b>	265,246	17,145	282,391
<b>Expenses</b>			
Program	245,757	0	245,757
General and Administrative	62,408	0	62,408
Development	8,978	0	8,978
<b>Total Expenses</b>	<u>317,143</u>	<u>0</u>	<u>317,143</u>
<b>Change in Net Assets</b>	(51,897)	17,145	(34,752)
<b>Net Assets at December 31, 2008</b>	<u>74,372</u>	<u>0</u>	<u>74,372</u>
<b>Net Assets at December 31, 2009</b>	<u>\$ 22,475</u>	<u>\$ 17,145</u>	<u>\$ 39,620</u>

See accompanying notes to financial statements.

**GREATER EDWARDS AQUIFER ALLIANCE**  
**Statement of Cash Flows**  
**December 31, 2009**

<b>Cash Flows From Operating Activities</b>		
Change in Net Assets	\$	(34,752)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation Expense		527
(Increase)/Decrease in Promises to Give		42,232
Increase/(Decrease) in Grants Payable		(13,334)
Increase/(Decrease) in Payroll Liabilities		(2,303)
		<hr/>
<b>Net Cash Provided/(Used) by Operating Activities</b>		(7,630)
<b>Cash Flows From Investing Activities</b>		
Purchase of Fixed Assets		(3,516)
		<hr/>
<b>Net Cash Provided/(Used) by Investing Activities</b>		(3,516)
<b>Net Increase/(Decrease) in Cash</b>		(11,146)
<b>Cash &amp; Cash Equivalents at December 31, 2008</b>		45,527
<b>Cash &amp; Cash Equivalents at December 31, 2009</b>	\$	<hr/> <hr/> 34,381

See accompanying notes to financial statements.

**GREATER EDWARDS AQUIFER ALLIANCE**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2009**

	Program	General and Administrative	Development	Total
Salaries	\$ 105,026	\$ 35,837	\$ 6,500	\$ 147,363
Payroll Taxes	7,839	2,742	495	11,076
Employee Benefits	12,731	2,280	0	15,011
Personnel Expense	125,596	40,859	6,995	173,450
Bank & Credit Card Fees	1,379	282		1,661
Marketing & Advertising	1,507		502	2,009
Audit Fees		7,000		7,000
Professional Services	4,821	1,135		5,956
Legal Fees	58,358			58,358
Conference & Meeting Expense	204	13		217
Equipment Maintenance & Repair	75	937	298	1,310
Depreciation Expense	395	65	66	526
Insurance		745		745
Office Supply & Expense		1,378		1,378
Postage & Shipping		1,217		1,217
Printing and Publications		330		330
Communications	2,368	770	132	3,270
Dues & Subscriptions		140		140
Occupancy	12,310	4,005	686	17,001
Supplies	4,500			4,500
Legislative & Advocacy Expense	12,000			12,000
Member Group Support Expense	21,649			21,649
Travel	595	3,532	299	4,426
<b>Total Expenses</b>	<b>\$ 245,757</b>	<b>\$ 62,408</b>	<b>\$ 8,978</b>	<b>\$ 317,143</b>

See accompanying notes to financial statements.

**GREATER EDWARDS AQUIFER ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDING DECEMBER 31, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SUMMARY OF OPERATIONS:

The Greater Edwards Aquifer alliance (GEAA) is a non-profit organization based in San Antonio, Texas dedicated to protecting the Edwards Aquifer through effective grass roots organization of support for comprehensive region-wide planning. GEAA is funded primarily from contributions and grants from individual and corporate donors.

ACCOUNTING BASIS:

The management of Greater Edwards Aquifer Alliance prepares its financial statements in accordance with the industry audit guide, *Not-for-Profit Organizations*. Accordingly, the financial statements are presented on the accrual basis of accounting. Under these provisions, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, GEAA's net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed stipulations of a temporary nature.

ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of 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, although management does not believe that any differences would materially affect GEAA's financial position or reported results.

CASH AND CASH EQUIVALENTS:

GEAA considers all highly liquid financial instruments, which are readily convertible to cash within 90 days to be cash equivalents.

CREDIT RISK CONCENTRATIONS:

GEAA maintains its cash in checking accounts at various banks. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000 of these depository accounts.

**GREATER EDWARDS AQUIFER ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDING DECEMBER 31, 2009**

FEDERAL INCOME TAXES:

GEAA is exempt from federal income taxes under Section 501 ( c ) (3) of the Internal Revenue Code. As such, no provisions have been made for federal income taxes. Currently contributions to GEAA are deductible by donors to the extent allowable under federal income tax laws.

NOTE 2: GRANTS RECEIVABLE:

Grants Receivable represents a second allotment due on a current grant in the amount of \$7,500. Amounts reported are based on expected amounts to be collected within one year and are recorded at net realizable value.

NOTE 3: CONCENTRATIONS:

Contributions and grants from the largest two donors represented 45% of total public support and revenue during the year ended December 31, 2009.

NOTE 4: FIXED ASSETS:

The Alliance's purchased equipment and fixtures are recorded at cost and depreciated using the straight-line method over the estimated useful lives (from 5 to 40 years) of the respective assets.

Office Equipment	<u>3,516</u>
Less Accumulated Depreciation	<u>( 527 )</u>
Total	<u>\$ 2,989</u>

Depreciation expense for the year ended December 31, 2009 was \$527.

NOTE 3: LEASE AGREEMENT:

On November 24, 2004, the Alliance executed an operational lease for the rental of office space for an initial term of 12 months. The lease has an option to renew for an additional 12 months exercised by written notice given to the Lessor not less than 15 days prior to the expiration of the initial lease term. The current monthly lease payment is \$675.

NOTE 3: TEMPORARILY RESTRICTED NET ASSETS:

Currently, Temporarily Restricted Net Assets in the amount of \$17,145 represents restricted grant funds held for specific program expenses for the subsequent fiscal year.