On River Time

Financial Report
December 31, 2023

Contents

HALEY & WOODS

Independent Auditor's Report

Board of Directors
On River Time

Opinion
We have audited the financial statements of On River Time (the Organization), which comprise the statements of financial position as of December 31, 2023 and 2022, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable).

Auditor's 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 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 an audit conducted in accordance with GAAS 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.

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In performing an audit in accordance with GAAS, 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 the Organization’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 the Organization’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.

Haley & Woods, LLP

Birmingham, Alabama
February 27, 2024

On River Time

Statements of Financial Position
December 31, 2023 and 2022

		2023		2022
Assets				
Current assets:				
Cash and cash equivalents	**$**	**791,635**	$	669,292
Investments		**69,945**		112,131
Pledges receivable		**37,374**		40,600
Prepaid expenses		**41,296**		700
Total current assets		**940,250**		822,723
Property and equipment, net		**289,300**		289,936
Total assets	**$**	**1,229,550**	$	1,112,659
Liabilities and Net Assets				
Current liabilities:				
Accounts payable	**$**	**91,839**	$	18,437
Deferred revenue		**-**		25,725
Total current liabilities		**91,839**		44,162
Net assets:				
Without donor restrictions:				
Undesignated		**1,119,403**		1,052,799
Designated by the Board for scholarships		**18,308**		15,698
		1,137,711		1,068,497
Total liabilities and net assets	**$**	**1,229,550**	$	1,112,659

See notes to financial statements.

On River Time

Statements of Activities
Years Ended December 31, 2023 and 2022

	2023	2022
Changes in net assets without donor restrictions:		
Revenue, support, and gains		
Gross special events revenue		
Ticket sales and auction	**$ 546,014**	$ 411,200
In-kind contributions	**24,136**	12,998
Less cost of direct benefits to donors	**(217,203)**	(120,988)
	352,947	303,210
Contributions and grants	**393,496**	359,165
In-kind contributions	**208,912**	160,118
Cabin rental revenue	**12,000**	12,000
Net investment return	**7,792**	2,267
Interest income	**4,939**	-
Other revenue	**1,357**	-
Total revenue, support, and gains	**981,443**	836,760
Expenses:		
Program services	**797,648**	579,445
Supporting services:		
General and administrative	**71,278**	56,703
Fundraising	**43,303**	47,382
Total expenses	**912,229**	683,530
Change in net assets without donor restrictions	**69,214**	153,230
Net assets without donor restrictions:		
Beginning of year	**1,068,497**	915,267
End of year	**$ 1,137,711**	$ 1,068,497

See notes to financial statements.

On River Time

Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising Expenses	Total Expenses
Program expenses	$ 585,063	$ -	$ -	$ 585,063
Salaries and benefits	127,540	11,254	11,254	150,048
Contract labor	15,225	15,225	10,150	40,600
Professional fees	-	18,906	-	18,906
Depreciation	17,921	681	-	18,602
Communications and promotion	12,857	3,673	1,837	18,367
Insurance	13,214	1,652	1,652	16,518
Online services and technology	4,050	8,101	4,050	16,201
Meetings	7,274	7,274	-	14,548
Consulting fees	-	330	12,542	12,872
Rent	6,459	2,485	994	9,938
Miscellaneous	3,320	-	-	3,320
Postage	1,649	824	824	3,297
Cabin maintenace	2,203	-	-	2,203
Office supplies	873	873	-	1,746
Total expenses	$ 797,648	$ 71,278	$ 43,303	$ 912,229

See notes to financial statements.

On River Time

Statement of Functional Expenses
Year Ended December 31, 2022

		Supporting Services		
	Program Services	General and Administrative	Fundraising Expenses	Total Expenses
Program expenses	$ 407,886	$ -	$ -	$ 407,886
Salaries and benefits	92,263	8,141	8,141	108,545
Contract labor	6,642	9,964	9,964	26,570
Communications and promotion	14,661	2,095	4,189	20,945
Consulting fees	-	390	17,688	18,078
Insurance	14,449	1,806	1,806	18,061
Depreciation	16,494	681	-	17,175
Professional fees	-	16,000	-	16,000
Online services and technology	3,873	7,747	3,873	15,493
Meetings	4,977	4,978	-	9,955
Rent	6,427	2,472	989	9,888
Bad debt expense	5,000	-	-	5,000
Miscellaneous	3,613	-	-	3,613
Office supplies	1,697	1,697	-	3,394
Postage	1,463	732	732	2,927
Total expenses	$ 579,445	$ 56,703	$ 47,382	$ 683,530

See notes to financial statements.

On River Time

Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	**$ 69,214**	$ 153,230
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation	**18,602**	17,175
Net investment return	**(7,792)**	(2,267)
Changes in assets and liabilities:		
Pledges receivable	**3,226**	(38,300)
Prepaid expenses	**(40,596)**	-
Accounts payable	**73,402**	(15,404)
Deferred revenue	**(25,725)**	10,290
Net cash provided by operating activities	**90,331**	124,724
Cash flows from investing activities:		
Purchases of investments	**(37,147)**	(109,864)
Proceeds from sale investments	**87,125**	-
Purchases of property and equipment	**(17,966)**	-
Net cash provided by (used in) investing activities	**32,012**	(109,864)
Net increase in cash and cash equivalents	**122,343**	14,860
Cash and cash equivalents:		
Beginning of year	**669,292**	654,432
End of year	**$ 791,635**	$ 669,292

See notes to financial statements.

Note 1. Nature of Organization and Significant Accounting Policies

Nature of Organization: On River Time (Organization) is a nonprofit corporation organized under the laws of the State of Alabama. The Organization's mission is to serve children who are survivors of abuse and neglect by empowering them through the experience of fly fishing, mentorship, and scholarships.

Cash and cash equivalents: The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. The Organization had $104,939 and $0 in cash equivalents as of December 31, 2023 and 2022, respectively.

Investments: The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Pledges receivable: Pledges receivable or unconditional promises to give are recognized as revenue in the period received and are recorded at their discounted net present value less an estimate made for uncollectible pledges. Management determines the allowance for uncollectible pledges by identifying troubled pledges and by using historical experience. Pledges receivable are written off when deemed uncollectible. Recoveries of pledges receivable previously written off are recorded when received. Management feels that all of the pledges receivable included in the accompanying statements of financial position are collectible and no allowance for uncollectible pledges has been recorded as of December 31, 2023 and 2022. All pledges receivable as of December 31, 2023 and 2022 are due within one year.

Property and equipment: The Organization records property and equipment additions over $1,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 24 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2023 and 2022.

Net assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-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 (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is,

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue and revenue recognition: The Organization is supported through special event fundraising activities, corporate and individual contributions, and cabin rental revenue. Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place and recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place. Contributions and grants are recognized when cash, securities or other assets, or an unconditional promise to give, is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Cabin rental revenue is recognized on a straight-line basis over the term of the agreement with The Lodge at Palisades Creek (Lodge) as described in Note 4. Advance receipts of cabin rental revenue are deferred and classified as liabilities until earned. All public support and revenue are considered to be available for program or supporting services unless specifically restricted by the donor.

Donated services and in-kind contributions: Contributed nonfinancial assets include lodge camp discounts, special event auction items, professional services, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 5). In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America (GAAP). Contributed goods are recorded at fair value at the date of donation.

Functional allocation of expenses: The costs of providing the program, fundraising and support services have been summarized on a functional basis in the accompanying statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated consistently among the program services, fundraising services and supporting services based on a percentage method on the following bases: 1) depreciation is allocated based on the functional use of each asset, 2) salaries and benefits are allocated based on estimates of time and effort, and 3) office rent is allocated based on an estimate of square-footage used by each function.

Income taxes: The Organization is organized as an Alabama nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to our exempt purposes. The Organization has determined that they are not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates: The preparation of financial statements in conformity with GAAP requires the Organization to make estimates and assumptions that affect the reported amounts 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, and those differences could be material.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Financial instruments and credit risk: The Organization manages deposit concentration risk by placing cash and cash equivalents with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members and foundations supportive of the Organization's mission. Investments are made by diversified investment managers whose performance is monitored by the Organization and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Reclassifications: Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent events: Subsequent events have been evaluated through February 27, 2024, which is the date the financial statements were available for issuance.

Note 2. Liquidity

As of December 31, 2023 and 2022, the Organization had financial assets available within one year of the statements of financial position date for general expenditures as follows:

	2023	2022
Cash	$ 791,635	$ 669,292
Investments	69,945	112,131
Pledges receivable	37,374	40,600
	898,954	822,023
Less those unavailable for general expenditures within one year, due to:		
Board designations:		
Designated for scholarships	(18,308)	(15,698)
	$ 880,646	$ 806,325

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, operating revenue generated throughout the year is budgeted to cover general operating expenditures.

Note 3. Fair Value Measurements and Disclosures

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Note 3. Fair Value Measurements and Disclosures (Continued)

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

All of the Organization’s investments are classified within Level 1 because they comprise equities and exchange traded funds with readily determinable fair values based on daily redemption values. The Organization has no Level 2 or Level 3 investments.

The following table presents assets measured at fair value on a recurring basis at December 31:

	2023			
		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Cash (at cost)	$ 1,753	$ -	$ -	$ -
Domestic exchange traded funds	68,192	68,192	-	-
	$ 69,945	$ 68,192	$ -	$ -

	2022			
		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Cash (at cost)	$ 1,658	$ -	$ -	$ -
Domestic equities	49,829	49,829	-	-
Domestic exchange traded funds	60,644	60,644	-	-
	$ 112,131	$ 110,473	$ -	$ -

Note 4. Property and Equipment

Property and equipment consist of the following as of December 31, 2023 and 2022:

	2023	2022
Cabin	$ 388,995	$ 388,995
Furniture and equipment	21,372	3,406
	410,367	392,401
Accumulated depreciation	(121,067)	(102,465)
	$ 289,300	$ 289,936

The Organization's cabin is located on leased land from the Lodge for $400 a year for 25 years. The lease expires in June 2040. Once the cabin was constructed and placed in service in November 2016, the Organization began depreciating the cost of the cabin constructed on this land over the remaining life of the lease agreement. The lease agreement also gives the Lodge the right to use the cabin when not in use by the Organization for the greater of $12,000 or lodge rental revenue for a given year.

Note 5. In-Kind Contributions

The Organization received in-kind contributions as follows during the years ended December 31, 2023 and 2022:

	2023			
	Program Services	General and Administrative	Special Events	Total
Lodge camp discounts	$ 190,337	$ -	$ -	$ 190,337
Special event auction items	-	-	20,500	20,500
Camp travel expenses	8,510	-	-	8,510
Camp supplies	4,119	-	-	4,119
Professional services	2,940	-	-	2,940
Special event food and beverages	-	-	2,584	2,584
Meeting meals	-	2,237	-	2,237
Special event décor	-	-	1,052	1,052
Camp meals	769	-	-	769
	$ 206,675	$ 2,237	$ 24,136	$ 233,048

	2022			
	Program Services	General and Administrative	Special Events	Total
Lodge camp discounts	$ 145,743	$ -	$ -	$ 145,743
Special event food and beverages	-	-	9,115	9,115
Camp supplies	5,096	-	-	5,096
Camp travel expenses	5,024	-	-	5,024
Meeting meals	-	3,996	-	3,996
Special event auction items	-	-	2,150	2,150
Special event décor	-	-	1,733	1,733
Camp meals	259	-	-	259
	$ 156,122	$ 3,996	$ 12,998	$ 173,116

Note 5. In-Kind Contributions (Continued)

Lodge camp discounts are used in program services and are recognized at fair value based on current rates charged to customers of the Lodge.

Donated special event auction items were valued at the sale price received during the auction on the day of the event.

Donated travel expenses are provided by volunteers assisting with camp program services and are recognized at fair value based on the actual amount paid by the volunteer for travel to the camp.

Contributed food and beverages, camp supplies and meals, and meeting meals are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution.

Contributed professional services are recognized at fair value based on current rates for similar professional services.

All in-kind contributions received during the years ended December 31, 2023 and 2022 were unrestricted.

Note 6. Operating Leases

The Organization leased a storage unit under a month-to-month lease and leased office space under an annual operating lease that expired in November 2023, which was extended on a month-to-month basis.

Rent expense related to the storage and office space for the years ended December 31, 2023 and 2022 was $9,938 and $9,888 and is included in the accompanying statements of functional expenses.

Note 7. Concentration and Related Party Transactions

During the years ended December 31, 2023 and 2022, members of the Board of Directors contributed $127,972 and $131,815, respectively, or 13% and 16%, respectively, of total support and revenue.