

Schrems West Michigan Trout Unlimited, Inc.



Fiscal 2020 Annual Report

2020 HIGHLIGHTS

Chapter of the Year. The Schrems team is pleased to report that your chapter was voted “2019 Chapter of the Year” by the Michigan Council of Trout Unlimited. The award was presented to Schrems’ president, Lance Climie at our annual banquet. The Schrems Board thanks everyone for their contributions and support which made this award possible.

Change in Fiscal Year. At the direction of Trout Unlimited National, all Trout Unlimited chapters and councils changed their fiscal year end from September 30 to March 31. As a result, the projects and financials reported in this document are for the fiscal year beginning April 1, 2019 and ending March 31, 2020.

Coldwater River & Buck Creek. In late 2018, Schrems received a \$187,800 grant from Michigan Department of Environment, Great Lakes, and Energy – EGLE (formerly Michigan DEQ), to update the Water Management Plans for the Coldwater River and Buck Creek. During fiscal 2020, our conservation team invested \$91,100 (48 percent of the grant) to sample and track the sources of E. coli pollution and study the impact of agricultural tillage runoff. During September 2020, EGLE expanded the E. coli source monitoring requirements adding \$27,000 to the grant, accordingly.

Coldwater River Debris Removal. The Chapter received a TU Embrace-A-Stream grant and member donations totaling \$12,200 and removed several tons (19 log jams) of woody debris from the Coldwater River, which accumulated due to the excessive brush/tree removal upstream of Freeport, Michigan as authorized by the Tri-County Drain commission in 2016 .

Muskegon River Temperature Monitoring. In the project’s second year, the team placed 15 temperature monitors between Croton dam and Newago to identify and evaluate the sources of coldwater entering the river. This project is being funded by Orvis, the Fremont Foundation, TU Embrace-A-Stream grants and member donations.

Prairie Creek. Your team has partnered with the Perrin Lansing TU Chapter and a large group of local stakeholders and landowners, to develop a plan for habitat improvements within Prairie Creek. In addition to leading several planning meetings, your team started to collect base-line temperature data by placing 16 monitors within this mid-Michigan trout stream and coldwater tributary of the Grand which enters the main river near Ionia, Michigan.

TU National’s Rogue River Home Rivers Initiative. We donated \$6,500 to the Home Rivers Initiative in Fiscal 2020 bringing our nine year investment to support habitat improvements in this unique urban trout fishery to \$49,500.

Women on the Water. During Fiscal 2020, the fifth year of the WOW initiative, 23 women attended one of two, three-day WOW events — one at Gates Au Sable Lodge and the other at the Pere Marquette River Lodge. We thank Edward Jones Investment Advisors for making these events possible.

Youth education. We ended the year with 18 active Salmon in the Classroom programs, funded four campers to attend Michigan’s Youth Trout Camp, participated in the GRPS C.A. Frost youth day in May and Muskegon Sportsmen for Youth Day in September. Schrems board members also chaperoned the Northview HS Fly Fishing club on a trip to fish the Yellowstone River.

Volunteer Hours. Volunteer hours grew to 5,870 vs. 4,412 during the prior year. A big Thank You to all who stepped up and pitched in.



Letter from the President

Dear Schrems TU members and supporters,

It is my pleasure to report that Schrems was named Michigan TU's 2019 "Chapter of the Year"! I thank all of our members, volunteers, partners, suppliers, contractors, the TU National staff and our financial supporters for making this award possible and the Michigan Council for recognizing our Chapter's contribution to coldwater conservation.

Our fiscal year, which ended March 31, 2020 was one of solid accomplishment for the Chapter as we continued to pursue conservation, education, membership and outreach initiatives to protect the trout that reside in West Michigan's coldwater so they can be enjoyed for generations to come. In the conservation arena we:

- Completed the second year of a three-year, Michigan Department of Environment, Great Lakes, and Energy funded project to gather environmental data to support an update of the Water Management Plans for the Coldwater River and Buck Creek,
- Removed several tons of woody debris (19 log jams) from the Coldwater River which accumulated due to the excessive tree and brush removal in previous years,
- Assisted Algoma Township acquire property along the Rogue River which created public and handicap access to over 1,000 feet of river frontage,
- Provided funding to support Michigan TU activities and TU National's Rogue River HRI program,
- Completed year two of the Muskegon River temperature monitoring study designed to identify sources of coldwater as a basis for the development of a trout habitat improvement plan,
- Provided volunteers and funding for clean ups along the Rogue and Grand Rivers and Buck Creek,
- Partnered with the Lansing TU chapter to begin the planning for improving riparian and aquatic habitat within Prairie Creek.

With respect to membership and outreach, our team executed two, three-day Women on the Water programs; held our second consecutive "State of the Trout" meeting featuring Michigan TU executive Director Dr. Bryan Burroughs and a members meet and greet with the TU National Chairman, Chris Wood. We also had team members engage with veterans during a Project Healing Waters event and employ their fly casting and tying skills to support men cancer survivors at a Reel Recovery Retreat. Finally, to raise funds to support youth education, we partnered with the Ruffed Grouse Society to hold our eighth annual Cast N' Blast.

On the education front, we awarded our 32nd Schrems Scholarship to Nicole Watson, a Michigan State University post graduate student engaged in research to support the reintroduction of grayling into Michigan's streams. We funded two new Salmon-in-the-Classroom installations and paid the tuition for four kids to attend Michigan's Youth Camp which was held during June in the Grayling area. We supported TU National's Home Rivers Initiative team execute Stream Girls, a program which engages middle school aged girls in hands-on STEM activities along with fly fishing and fly tying. Finally, we made a donation to the Anglers of the Au Sable to help them with operating costs associated with their recent acquisition of the Grayling Fish Hatchery.

In closing, Schrems is working hard on your behalf to protect our abundant coldwater as well as engaging in education and outreach projects to introduce kids, young adults and women to the world of coldwater conservation and trout angling. We are extremely proud of being named Michigan's TU Chapter of the Year and thank all who support the Schrems chapter so we can continue protecting, restoring and reconnecting West Michigan's coldwater rivers and streams.

Tight Lines,



Lance Climie, President

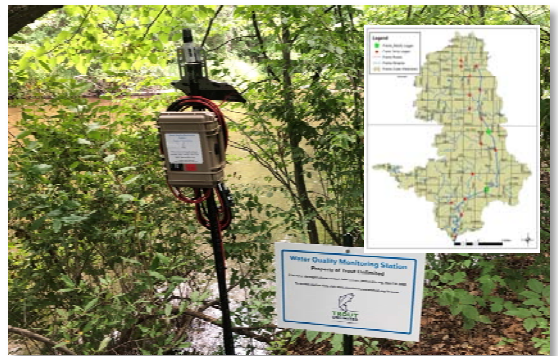
Habitat

Coldwater River Debris Removal. The Chapter received a TU Embrace-A-Stream grant and additional donations totaling \$12,200 and used these funds to remove several tons of woody debris (19 log jams) from the Coldwater River. This debris accumulated over the years following the excessive brush/tree removal upstream of Freeport, Michigan, authorized by the Tri-County Drain commission in 2016.



Coldwater River and Buck Creek Water Management Plan Update. In late 2018, the Michigan Department of Environment, Great Lakes, and Energy – EGLE (formerly Michigan DEQ), awarded Schrems a \$212,000 grant to update Water Management Plans for the Coldwater River and Buck Creek. To date, our conservation team, with the project management provided by Streamside Ecological Services, has invested \$91,100 (48 percent of the grant) to sample and track the sources of E. coli pollution and study the impact of agricultural tillage runoff in both watersheds. The E. coli data collection included the analysis of two dry (no rain) events in Coldwater River watershed, and two dry and two wet (following a rain storm) events within the Buck Creek watershed. Canine scent tracking has also been employed to identify the sources of the pollution. The team is using the data collected to map sites containing bio-solid deposits.

Prairie Creek. The Schrems and Bob Perrin, Lansing TU Chapters have partnered on an initiative to improve aquatic and riparian habitat within Prairie Creek, a coldwater tributary of the Grand River that runs through Ionia and Montcalm Counties. The team has held several planning meetings with land owners and other stakeholders and has started gathering critical data by placing temperature monitors in key locations along this Central Michigan trout stream. The team has also installed two state-of-the-art Mayfly Water Data Monitors to measure a multitude of water quality and flow variables in real time.



Muskegon River Temperature Monitoring. In 2018, we initiated a project to identify the sources of coldwater entering the river. This past year, the team placed 15 loggers in strategic locations between Croton Dam and Newago to develop basis-line temperature data. The information gathered in 2020 will be analyzed and compared to that collected during 2019. The temperature study is being funded by Orvis and TU Embrace-A-Stream grants as well as donations from several members. This project is being funded by Orvis, The Fremont Foundation, TU Embrace-A-Stream grants, and member donations. We also initiated discussions with the Muskegon River Watershed Assembly to co-develop a strategic plan for this tailwater fishery.

Rogue River Home Rivers Initiative. Schrems donated \$6,500 to the Rogue River Home Rivers Initiative (HRI) in fiscal 2020, bringing our total investment since 2010 to \$49,500. Since its inception in 2010 the HRI team has:

- Restored 135 acres of wetland and riparian areas along coldwater tributaries of the Rogue.

- Installed over 100,000 square feet of green infrastructure including rain gardens, bioswales, and stream buffers as well as 50 rain barrels to prevent warm, polluted surface runoff water from entering watershed.
- Assisted 22 landowners adopt forestry conservation best practices across 450 acres of forestland.
- Assisted agricultural producers connect with federal resources resulting in the installation of best conservation practices within 4,275 acres of farmland.
- Assessed 200 fish barriers and identified nine as priorities for removal. To date, the Trout Unlimited team has removed four of these barriers, opening up nine miles of coldwater trout stream.
- Engaged 6,500 students in an assessment of the health of the Rogue River watershed, the implementation of restoration projects, and community education initiatives.
- Recruited and trained 90 high school students through the “Green Team” summer work program to install and maintain green infrastructure along the river.



The Schrems team thanks the TU HRI team, Nicole DeMol and Jamie Vaughn for their fine work over the past nine years and the foundations and agencies that provided the nearly \$4 million needed to execute this initiative to protect, improve and restore fish passage within this unique West Michigan trout stream.

River Cleanups. The Chapter helped sponsor and provided volunteers for clean ups on Buck Creek and on the Rogue and Grand Rivers. The Rogue River cleanup was managed by the Home River Initiative team with over 50 volunteers from the TU and Rockford community participating. On Buck Creek, Schrems partnered with the Friends of Buck Creek and various local businesses to sponsor cleanup teams along several miles of this unique urban, coldwater trout stream. We also made a donation to the West Michigan Environmental Action Council to support the Grand Rapids Mayor’s annual Grand River cleanup.



Education

Schrems Scholarship. In April 2019, Schrems presented its 32nd scholarship to Nicole Watson, a doctoral student in Michigan State University’s College of Agriculture & Natural Resources Department of Fisheries and Wildlife. Nicole is researching the feasibility of reintroducing grayling, a species extirpated from our state more than a century ago, into Michigan streams. Her project is focused on determining if Arctic grayling from Alaska are able to adapt to the environments of select Michigan streams, and how well those fish would fare with respect to predation and competition with resident fish species that reside in Michigan streams, i.e. brook and brown trout.



Youth Trout Camp. With the objective of introducing youngsters to the world of trout angling and the importance of coldwater conservation, Schrems sponsored 4 kids for the summer 2019 session. With help from some of Michigan's leading conservationists and anglers, our junior anglers along with 14 other 13-16 year old boys and girls, learned how cast a fly rod, identify aquatic insects and tie flies. These kids are now well on their way to becoming future leaders in coldwater conservation.



Salmon-in-the-Classroom. With 18 active installations in place, Schrems TU is one of the State's most active participants in the DNR's Salmon-in-the-Classroom (SIC), a program where middle/high school students hatch eggs, raise and then release the young salmon into local rivers and streams. Our annual goal is to add two new programs annually and provide the funding for the initial setup including fish tanks, chillers, etc. at a cost of about \$1,200 per installation.

Members of our team also helped dispense salmon eggs to SIC teachers during the Wolf Lake State Fish Hatchery's annual egg distribution day. The funding for this program comes from the proceeds of the chapter's annual Cast N' Blast which is co-sponsored by the Grand Rapids chapter of the Ruffed Grouse Society.

Stream Girls. Trout Unlimited's STREAM Girls program engages middle school girls in hands-on STEM activities along with fly fishing and fly tying. Since 2017, the program has grown to engage 360 youth from rural and urban areas as well as refugee communities. This program is run primarily in a single sex learning environment with the help of local women educators, scientists, and anglers which helps break down the barriers girls face in the science field as well as the fly fishing community. Participants in the STREAM Girls program gain the confidence from their mentors to pursue these historically male-dominated activities which will create a stronger, more diverse conservation and fishing community.



Other Education Initiatives. During the summer of 2019, members of the Schrems team;

- Accompanied the Northview Fly Fishing Club to Ennis Montana to fish the Yellowstone and surrounding Rivers including Slough Creek, and the Madison.
- Participated in Grand Rapids Public's CA Frost Elementary School's Day on the Rogue River program. This was our fourth consecutive year introducing 70 seventh graders to the art of fly casting.
- Manned booths at the Muskegon and Barry County Sportsmen for Youth events, where nearly 1,400 kids experienced fly tying, casting, bug identification and stream morphology.
- Donated \$1,000 to the Anglers of the Au Sable to support operational costs for their recently acquired Grayling Fish Hatchery.



Membership Events

Meet and Greet with TU National Chairman, Chris Wood. In January 2020, we hosted Chris Wood, Chairman of TU National in a “Meet and Greet” held at Creston Brewery, where he provided an overview of the major initiatives TU National is engaged in across the country as well as reinforcing the importance of the work Schrems and the entire state’s TU teams are doing to protect Michigan’s coldwater streams and rivers.



Women-on-the-Water. Schrems held two events in the summer of 2019, one at the Pere Marquette River Lodge and the other at Gates Au Sable Lodge. Combined, nearly two dozen women attended learning new skills, such as how to read the water, understanding the in-stream environment and insect identification. The participants also improved their casting skills during streamside sessions taught by expert casting instructors. The women then had a chance to apply their newly acquired skills during guided float trips, with the Pere Marquette participants casting mouse patterns for trout during an evening float. We thank Marci Cisneros and her team for their passion for the sport and for planning and executing these fun and instructional events and Edward Jones Financial Advisors and other TU members for underwriting portions of this program.



Wa Wa Sum. For more the three decades, Schrems has been holding a membership event at Wa Wa Sum Lodge in Grayling during mid-June where participants renew old and make new friendships while testing their angling skills on the “Holy Waters” as well as many other area streams. Anyone interested in attending a future event should contact either Lance Climie or Larry Risbridger. Contact info can be found on page 19 or by visiting our website.

Cast ‘N Blast. Each July, Schrems West Michigan TU and the Grand Rapids Chapter of the Ruffed Grouse Society team up for a sporting clays and casting competition. Held at the Kent County Conservation League, this event generated approximately \$1,800 for each organization, funds which will be invested in youth programs such as Salmon-in-the-Classroom.



State of Trout. This year’s “State of Trout” event was held in October 2019 at Creston Brewing, with Michigan TU’s Executive Director Dr. Bryan Burroughs updating the group on the legislative/policy issues impacting Michigan’s coldwater. We also had a presentation from a representative of Grand Rapids White Water, an organization working to restore a 2.5-mile stretch of the Grand River that runs through downtown Grand Rapids back to its natural state. The project when complete, will reveal a spectacular 18-foot elevation drop from Ann to Fulton Streets as well as water snaking and snarling around boulders, stone and natural reefs.

Management Financial Summary

Fiscal 2020 was a solid year with the Chapter generating Revenue of \$182,110 providing Net Income of \$11,277. The Consolidating Profit & Loss Statement below, summarizes revenue and expenses by Program and Supporting Activities.

| Consolidating Profit & Loss | | | | | | | |
|-----------------------------------|------------|--------------------|-------------------------|-----------------------|---------------------------|-----------------------|-------------|
| Fiscal Year Ending March 31, 2020 | | | | | | | |
| | | Program Activities | | | | Supporting Activities | |
| Whole \$ | Total | Habitat & Study | Education & Scholarship | Seminars & Membership | Communication & Promotion | General & Admin | Fundraising |
| Revenue | | | | | | | |
| Restricted | \$ 99,871 | \$ 96,303 | \$ 1,568 | \$ 2,000 | | | \$ - |
| Unrestricted | 82,239 | 4,904 | | 13,473 | | 6,284 | 57,580 |
| Total | 182,110 | 101,206 | 1,568 | 15,473 | - | 6,284 | 57,580 |
| Cost of Good Sold | | | | | | | |
| Gross Profit | \$ 182,110 | \$ 101,206 | \$ 1,568 | \$ 15,473 | \$ - | \$ 6,284 | \$ 57,580 |
| Expenses | | | | | | | |
| Bank Charges | \$ 1,426 | \$ - | - | \$ 309 | \$ - | \$ 146 | \$ 971 |
| Banquet Expenses | 18,157 | - | - | - | - | - | 18,157 |
| Education Expense | 7,340 | - | 7,340 | - | - | - | - |
| Habitat project expense | 113,366 | 113,366 | - | - | - | - | - |
| Seminars & Membership | 20,254 | - | - | 18,035 | - | - | 2,219 |
| Communications & Promotion | 3,893 | - | - | - | 3,693 | 200 | - |
| Mailings | 667 | - | - | - | - | 122 | 545 |
| Supplies & Office Expense | 1,245 | - | - | - | - | 1,245 | - |
| Insurance | 155 | - | - | - | - | 155 | - |
| Rent | 803 | - | - | - | - | 803 | - |
| Professional Fees | 3,457 | - | - | - | - | 3,457 | - |
| Taxes & Licenses | 70 | - | - | - | - | 20 | 50 |
| | \$ 170,833 | \$ 113,366 | \$ 7,340 | \$ 18,344 | \$ 3,693 | \$ 6,148 | \$ 21,942 |
| Net Income | \$ 11,277 | \$ (12,160) | \$ (5,772) | \$ (2,871) | \$ (3,693) | \$ 136 | \$ 35,638 |

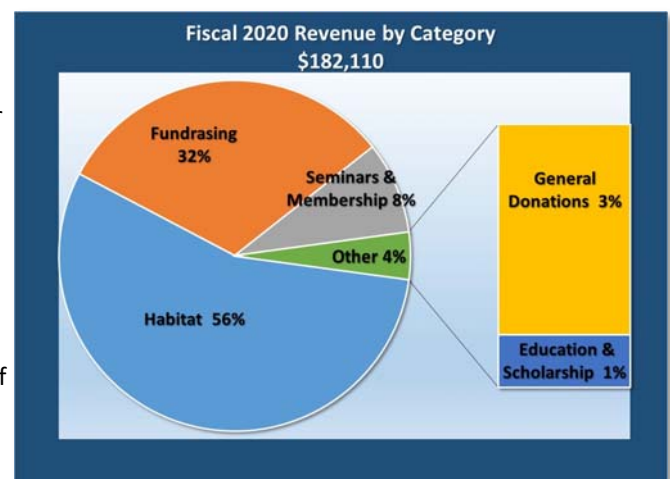
Revenue

Habitat & Study (56%). During 2020, the Schrems team received funding from several sources including, \$92,100 from the Michigan Department of Environment, Great Lakes, and Energy – EGLE (formerly Michigan DEQ), to update the water management plan for the Coldwater River and Buck Creek. Please note that \$4,900 of this funding covers project administration costs. We also applied for and received two TU National Embrace-A-Stream grants; \$7,162 for the removal of woody debris on the Coldwater River and \$2,677 to support the Muskegon River Temperature study. Other Habitat Revenue donations were received from Orvis Grand Rapids and Steve Frendt to support the aforementioned Muskegon River project, Ridgeview Industries in support of the Rogue River and the Friends of Buck Creek for the annual Buck Creek cleanup.

Fundraising (32%). Fiscal 2020 was the Chapter's most successful year of fundraising with our Annual Banquet and Cast N' Blast generating revenue of \$53,540 and \$4,040, respectively.

Seminars & Membership (8%). These funds were generated from membership events including two Women on the Water events which were funded in part by donations from four Edward Jones Investment Advisors, registrations for the Cast N' Blast, the "State of Trout" seminar featuring Michigan TU's Executive Director Dr. Bryan Burroughs, a Meet and Greet with TU National's Chairman, Chris Wood and the Chapter's annual Wa Wa Sum outing.

Other (4%). This category includes general, unrestricted donations totaling \$6,200 and \$1,600 for Streamgirls and Salmon-in-the-Classroom received from a TU National Grant and Chuck King donations, respectively.



Expenses

Habitat & Study (66%). During 2020, we invested the funds we received from EGLE in projects that will lead to new Water Management Plans for the Coldwater River and Buck Creek. We deployed TU National Embrace-A-Stream grants to remove excess woody debris from the Coldwater River and to fund the Muskegon Rive Temperature Monitoring Study. Schrems also made annual donations of \$6,500 in support the TU Rogue River Home Rivers Initiative and \$5,000 to support the legislative, policy and scientific work Michigan Trout Unlimited does on our behalf.

Fundraising (13%). This category includes the expenses incurred to hold our Annual Banquet and the Cast N' Blast.

Membership & Seminars (11%). During 2020 we held two, three-day Women on the Water retreats , our annual Christmas Party, a Wa Wa Sum outing, a State of Trout seminar with Dr. Bryan Burroughs and a Meet and Greet with TU Chairman, Chris Wood. With the exception of the Chris Wood event, we charge participants a nominal fee to attend. On a net basis, Schrems invested a total of \$2,870 to hold these event.

Education & Scholarship (4%). These expenses reflect the following: Funding two new Salmon-in-the-Classroom installations (\$2,950); Donation to the Anglers of the Au Sable to cover Grayling Fish Hatchery operating costs; Purchase of supplies for the Stream Girls program (\$995 which were covered by a grant from TU National); Registration fees to send 3 kids to Trout Camp.

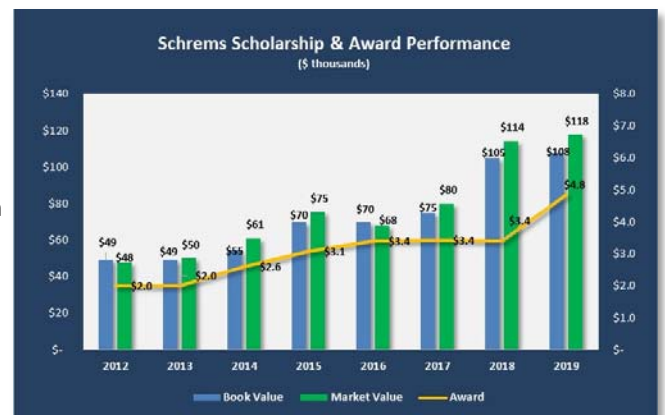
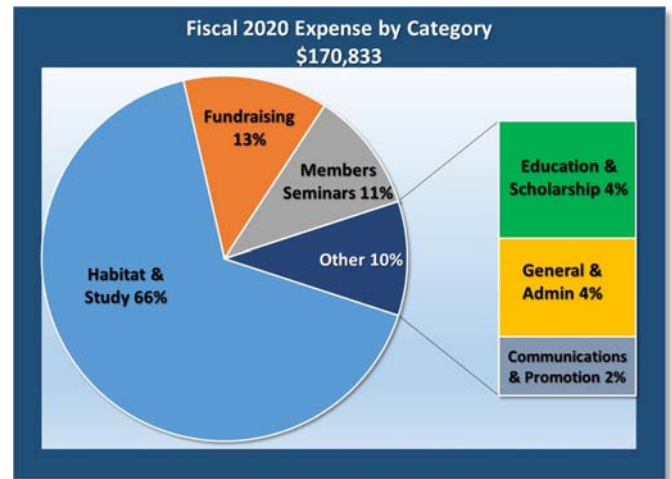
General and Administration (4%). The Schrems team is pleased to report that our G&A costs were only 4%. A summary of our G&A expenses can be seen on the P&L on the previous page. It is worth noting that our single largest expense in 2020 was the cost of the semiannual audit (\$2,900 which is included in Professional Fees), which was performed on the 2020 results. Excluding this cost, G&A represents only 2% of total expense. We are also pleased to report that Schrems once again received an Unqualified (Clean) Opinion. The Audit document is included in the financial section of this report.

Communications & Promotion (2%). This category includes the costs associated with maintaining the Chapter's digital assets including web email, hosting fees and the development services provided by Tight Lines Digital.

Schrems Scholarship Endowment. The Schrems team thanks the individuals and the foundations who helped us raise \$104,800 for the Schrems Scholarship endowment fund which is administered by Michigan State University. This fund-raising culminated with a push in 2018 allowed our team to present a \$30,000 check to Doctors Bill Taylor and Dan Hayes from Michigan State's College of Agriculture & Natural Resources Department of Fisheries and Wildlife during the 2018 banquet.

We are pleased to report, that these investments are paying solid dividends. As the chart to the right shows, at the end of the fund's last fiscal year (June 30, 2019) it performed well enough to generate an ROI over 10%, allowing the scholarship to increase to \$4,800 compared to \$3,400 awarded the past three years.

Fiscal 2020 Audit. The financial records of Schrems West Michigan Trout Unlimited are audited on an even- year, biennial basis. We are pleased to report that Schrems TU received and unqualified (clean) opinion for the audit of the fiscal 2020 financials. The entire Auditors report is included in this Annual Report and begins on the next page.





INDEPENDENT AUDITORS REPORT

The Board of Directors
Schrems West Michigan Trout Unlimited
Grand Rapids, Michigan

We have audited the accompanying financial statements of Schrems West Michigan Trout Unlimited (a Michigan Non-Profit Corporation) which comprise the statement of financial position as of March 31, 2020, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

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 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Schrems West Michigan Trout Unlimited as of March 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Hastings, MI

July 1, 2020

Walker, Fluke & Sheldon PLC

Schrems West Michigan Trout Unlimited
Statement of Financial Position
March 31, 2020

Assets

Current Assets

| | |
|----------------------|-------------------|
| Cash & Equivalents | \$ 39,839 |
| Accounts Receivable | 82 |
| Grants Receivable | 120,421 |
| Prepaid Expenses | 13,665 |
| Total Current Assets | <u>\$ 174,007</u> |

| | |
|--------------|----------------|
| Total Assets | <u>174,007</u> |
|--------------|----------------|

Liabilities and Net Assets

Current Liabilities

| | |
|---------------------------|-------------------|
| Accounts Payable | 21,565 |
| Deferred Revenue | 117,690 |
| Total Current Liabilities | <u>\$ 139,255</u> |

Net Assets

| | |
|----------------------------|------------------|
| Without Donor Restrictions | 34,752 |
| With Donor Restrictions | - |
| Permanently Restricted | <u>34,752</u> |
| Total Net Assets | <u>\$ 34,752</u> |

| | |
|----------------------------------|--------------------------|
| Total liabilities and net assets | <u><u>\$ 174,007</u></u> |
|----------------------------------|--------------------------|

The accompanying notes are an integral part of these financial statements

Schrems West Michigan Trout Unlimited
Statement of Activities
For the Year Ended March 31, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|---|------------------------------------|-------------------|
| Revenue, gains and other support | | | |
| Contributions and grants | 106,154 | | 106,154 |
| Program revenue | 18,376 | | 18,376 |
| Fundraising | 57,580 | | 57,580 |
| Net assets released from restrictions: | | | - |
| Satisfactions of purpose restrictions | | - | - |
| Total revenue, gains and other support | \$ 182,110 | \$ - | \$ 182,110 |
| Expenses and losses | | | |
| Program Services | | | |
| Habitat study and restoration | 113,366 | | 113,366 |
| Education and scholarship | 7,340 | | 7,340 |
| Seminars | 18,344 | | 18,344 |
| Communications | 3,693 | | 3,893 |
| Supporting services | | | - |
| General & Admin | 6,149 | | 5,949 |
| Fundraising | 21,941 | | 21,941 |
| Total Expenses & Losses | \$ 170,833 | \$ - | 170,833 |
| Changes in net assets | \$ 11,277 | \$ - | \$ 11,277 |
| Net Assets at the beginning of the year | \$ 23,474 | | \$ 23,474 |
| Net assets at the end of the year | \$ 34,751 | \$ - | \$ 34,751 |

The accompanying notes are an integral part of these financial statements

Schrems West Michigan Trout Unlimited
Statement of Functional Expense
For the Year Ended March 31, 2020

| | Program Activities | | | | Supporting Activities | | | |
|------------------------------|--------------------------------|----------------------------|-----------|-------------------------------|-----------------------------|-------------|------------|--|
| | Habitat Study & Restoration | Education & Scholarship | Seminars | Communications & Promotion | General & Administrative | Fundraising | Total | |
| Bank charges | \$ - | \$ - | \$ 309 | \$ - | \$ 146 | \$ 971 | \$ 1,426 | |
| Banquet expenses | | | | | | 18,157 | 18,157 | |
| Education expenses | | 7,340 | | | | | 7,340 | |
| Habitat project expenses | 113,366 | | | | | | 113,366 | |
| Seminars and membership | | | 18,035 | | | 2,219 | 20,254 | |
| Communications and promotion | | | | 3,693 | 200 | | 3,893 | |
| Mailings | | | | | 122 | 545 | 667 | |
| Supplies and office expense | | | | | 1,245 | | 1,245 | |
| Insurance | | | | | 155 | | 155 | |
| Rent | | | | | 803 | | 803 | |
| Professional fees | | | | | 3,458 | | 3,458 | |
| Taxes and Licenses | | | | | 20 | 50 | 70 | |
| | \$ 113,366 | \$ 7,340 | \$ 18,344 | \$ 3,693 | \$ 6,149 | \$ 21,941 | \$ 170,833 | |

The accompanying notes are an integral part of these financial statements

Schrems West Michigan Trout Unlimited
Statement of Cash Flows
For the Year Ended March 31, 2020

Operating Activities

| | |
|---|-------------------------|
| Net Income | \$ 11,277 |
| Adjustments to reconcile changes in net assets to net cash used by operating activities | |
| Accounts receivable | (82) |
| Grants receivable | 67,426 |
| Prepays | (1,779) |
| Accounts payable | 16,430 |
| Deferred revenue | (96,820) |
| Net cash provided by (used by) operating activities | \$ (14,824) |
| Net increase (decrease) in cash and cash equivalents | (3,548) |
| Cash and cash equivalents at beginning of year | \$ 43,387 |
| Cash and cash equivalents at end of year | <u>\$ 39,839</u> |

The accompanying notes are an integral part of these financial statements

Schrems West Michigan Trout Unlimited
Notes to Financial Statements
March 31, 2020

Note A: Summary of Significant Accounting Policies

Background - Schrems West Michigan Trout Unlimited began in 1962 to address concerns regarding the health of our local streams and the trout that live in them. The organization's mission is to conserve, protect and restore West Michigan's cold water fisheries and their watersheds and to provide a forum for the exchange of information concerning cold water fisheries and the techniques and the sport of trout fishing. Since its founding, the organization has been involved with many activities from river clean-up, stream monitoring, bank erosion and its reconstruction, fish shocking , invertebrate studies and fly fishing clinics, along with many concerns that effect our environment in today's society. On June 18, 2018, the fiscal year-end changed from September 30 to March 31. October 1, 2018 to March 31, 2019 was a short transition year. The current year April 1, 2019 to March 31, 2020 is the first full year with the new fiscal year-end.

Schrems West Michigan Trout Unlimited currently operates the following programs:

- 1) Habitat study and restoration
- 2) Education and scholarship
- 3) Seminars
- 4) Communication and Promotion

Schrems West Michigan Trout Unlimited generates revenue primarily from soliciting public and private grants, contributions, and fundraising events.

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not- for-Profit Organizations" (the Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations. This includes stipulations on assets that may or will be met, either by actions of the Organization and/or the passage of time and stipulations on assets that they are to be maintained permanently by the Organization. When a restriction expires, temporarily restricted net assets are re-classified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Cash and Cash Equivalents - For the statement of financial position and statement of cash flows, Schrems West Michigan Trout Unlimited considers cash and cash equivalents to consist of cash balances in checking accounts and certificates of deposit.

Receivables - Receivables are stated at the amount that the organization expects to collect from outstanding balances. Because the organization expects all funds to be collectible, no allowance has been made for uncollectible amounts.

Prepays - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in the financial statements.

Schrems West Michigan Trout Unlimited
Notes to Financial Statements
March 31, 2020

Note A: Summary of Significant Accounting Policies (Continued)

Deferred Revenue - Schrems West Michigan Trout Unlimited receives grants from various organizations and many of these grants are paid on a reimbursement basis or are paid toward identified expenditures. Grants that have been promised or received for which qualifying expenditures have not yet been made are recorded as deferred revenue. Currently, Schrems has deferred revenue of \$96,794 related to the Coldwater/Buck Creek project with the Michigan Department of Environmental Quality, \$2,764 related to the Chuck King salmon in the classroom donation, \$407 related to the TUNA embrace a stream - Muskegon river donation, and \$5,112 in relation to the Muskegon River Project. Schrems also holds funds it has received for events that have not happened as of the end of the year. \$4,788 was being held by Schrems for a Women on the Water event, \$117 was being held for the WAWA SUM event, and \$7,708 was being held for the annual fundraising banquet.

Contributions - Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, with donor restricted net assets are reclassified to without donor restricted net assets and reported in the statements of activities as net assets released from restrictions.

Functional Expenses - Expenses have been charged directly to program, fundraising, or general and administrative categories based on specific identification. Indirect expenses have been allocated among the programs and supporting services benefited.

Federal Income Tax - The Organization is recognized as a tax-exempt organization under code Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax has been made. The Organization is subject to federal income tax only on net unrelated business income under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Organization has evaluated its tax positions and determined it has no uncertain tax positions and has recorded no obligation for unrelated business income tax. No provision for federal taxes is required as of September 30, 2018. The Organization's 2016 through 2019 tax years are open for examination by federal taxing authorities.

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.

Advertising Costs - Schrems West Michigan Trout Unlimited expenses advertising costs as incurred. Schrems West Michigan Trout Unlimited expensed \$3,893 during the year ended March 31, 2020.

Note B: Grants Receivable

Grants receivable represents amounts due from the Michigan Department of Environmental Quality. Funds due to Schrems are \$115,421 for Habitat restoration updates on the Coldwater River and Buck Creek and \$5,000 due from the Fremont Foundation for habitat study on the Muskegon River. Schrems has received confirmation of the awards and the full amounts are expected to be collected in the next fiscal year; therefore, no allowance for doubtful accounts is required.

Schrems West Michigan Trout Unlimited
Notes to Financial Statements
March 31, 2020

Note C: Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions with on year of the balance sheet date.

| | <u>2020</u> |
|--|-------------------------|
| Fiscal assets at year-end | \$ 174,007 |
| Less those unavailable for general expenditures within one year due to: | |
| Prepaid Expenses | (13,665) |
| Grant Receivable | (120,421) |
| Financial assets available to meet cash needs for general expenditure within one year | <u>\$ 39,921</u> |

Note D: Concentrations of Credit Risk

The Organization maintains bank accounts at one bank. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for balances after October 3, 2008. The amount in excess of the FDIC limits totaled \$0 as of March 31, 2020.

Note E: Fair Values of Financial Instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash and cash equivalents, accounts receivable, grants receivables, prepaids, accounts payable, and deferred revenue: The carrying amounts reported in the Statement of Financial Position approximate fair value because of the short maturities of those instruments.

The estimated fair values of the Organization's financial instruments are as follows:

| | <u>Carrying Amount</u> | <u>Fair Value</u> |
|----------------------------------|------------------------|-------------------|
| Financial assets | | |
| Cash and cash equivalents | \$ 39,839 | \$ 39,839 |
| Receivable | \$ 82 | |
| Grants receivable | \$ 120,421 | \$ 120,421 |
| Prepaid expenses | \$ 13,665 | \$ 13,665 |
| Financial liabilities | | |
| Accounts payable | \$ 21,565 | \$ 21,565 |
| Deferred revenue | \$ 117,690 | \$ 117,690 |

Schrems West Michigan Trout Unlimited
Notes to Financial Statements
March 31, 2020

Note F: Evaluation of Subsequent Events

The Organization has evaluated subsequent events through July 1, 2020, the date which the financial statements were available to be issued. On March 11, 2020, the World health Organization declared the outbreak of the coronavirus (COVID-19) a pandemic. Due to this, economic uncertainties have arisen that may negatively affect the Organization. The Organization expects this to negatively impact its operations and financial condition; however, the extent of this impact cannot be reasonably estimated at this time.

About Schrems

Schrems West Michigan Trout Unlimited was founded in 1962 to address the concerns for the health of our local streams and the wild trout that live therein. Your chapter has been involved in many activities ranging from river clean-ups, in-stream habitat improvements and monitoring, bank reconstruction, fish population studies, and women and kids education programs. These programs are made possible by our TU membership and the community members who generously volunteer the time and financial resources which allows Schrems to protect, restore and reconnect West Michigan's coldwater resources to ensure the trout that live there are enjoyed by future generations as much as we do today.

Donate/Contact

Your donations are important and are used solely to fund activities such as the Schrems Scholarship, Salmon in the Classroom, Trout Camp, Membership seminars and various habitat/conservation programs. Chapter donations can be made by selecting the Donate button on our website, www.swmtu.org, or by mailing a check to Schrems West Michigan Trout Unlimited, P.O. Box 230094, Grand Rapids, MI 49523. Please contact our Treasurer, Tom Mundt if you have questions.

When making a donation, please provide an address so that we may send you a thank you note and a receipt for your donation. Also, if you would like to designate your contribution to a specific program such as education, scholarship, conservation, etc. please let us know and we will honor your request.

TU Membership

Make a difference and become a Trout Unlimited member by visiting our website <http://www.swmtu.org/general/join-trout-unlimited>.

Board & Other Key Team Members

Chapter Board meetings are generally held at 6:15pm the first Tuesday of each month (except August) at the WMEAC office, 1007 Lake Dr. SE, Grand Rapids, MI 49506. However, due to Covid restrictions, we are holding board meetings via Zoom. Please contact Lance Climie if you wish to attend a meeting.

Lance Climie, President & Banquet Chair, 616-307-3971, lanceclimie@hotmail.com

Steve Frendt, Vice President, 616-540-0742, sfrendt@icbp.com

Larry Risbridger, Secretary, 616-690-0692, elrisbridger@charter.net

Tom Mundt, Treasurer, 616-485-1426, tommundt@gmail.com

Steve Brinks, 616-550-6482, snbrinks@sbcglobal.net

Marci Cisneros, Women on the Water Chair, 616-842-4499, cisnros@visitgrandhaven.com

Kate Fulton, 269-808-9748, katy.fulton@gmail.com

Nick Garlock, 616-540-5406, Garlocknick@gmail.com

Dave Helder, Salmon in the Classroom Coordinator, 616-914-5312, davehelder78@gmail.com

Pete Miller, Conservation Chair, 417-420 -4003, peterbmiller9@gmail.com

Bill Rowell, 616-717-0473, browell@gmail.com

Dave Whitfield, 616-206-7036, Whitfieldd@gmail.com

Fred Wicht, 423-884-2906, fredwicht@gmail.com

Al Woody, Membership Chair, 231-798-3536, awoody@comcast.net

George Zuiderveen, 616-240-4176, ggzuiderv@sbcglobal.net

Dave DeJonge, Web Guy, 616-437-0472, dave@tightlinesdigital.com

Nichol DeMol, Great Lakes Stream Restoration Manager, 231-557-6362, ndemol@tu.org

Jamie Vaughan, Rogue River Home Rivers Initiative Manager, Stream Girls, jvaughan@tu.org



Photo courtesy of Kevin Feenstra, Feenstra Guide Service

