

RIVERKEEPER, INC.

**Financial Statements
for year ended
June 30, 2024**

Independent Auditor's Report

To the Board of Directors
Riverkeeper, Inc.

Opinion

We have audited the accompanying financial statements of Riverkeeper, Inc. ("Riverkeeper"), which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Riverkeeper as of June 30, 2024, and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Riverkeeper and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Riverkeeper's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards 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.

In performing an audit in accordance with generally accepted auditing standards, 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 Riverkeeper'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 Riverkeeper'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.

Report on Summarized Comparative Information

We have previously audited Riverkeeper's 2023 financial statements, and our report dated October 12, 2023, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Condon O'Meara McGinty + Donnelly LLP

September 24, 2024

RIVERKEEPER, INC.

Statement of Financial Position

Assets

	June 30	
	2024	2023
Current assets		
Cash	\$ 2,711,572	\$ 2,308,816
Current portion of contributions and pledges receivable	1,273,643	1,420,912
Prepaid expenses	15,972	16,367
Total current assets	4,001,187	3,746,095
Contributions and pledges receivable, net of current portion	200,000	125,000
Property and equipment, at cost		
Land	7,500	7,500
Office equipment	254,828	242,719
Boat equipment and improvements	452,102	243,621
Leasehold improvements	75,153	75,153
Total property and equipment	789,583	568,993
Less: accumulated depreciation and amortization	546,643	525,205
Net property and equipment	242,940	43,788
Security deposits	10,000	10,000
Total assets	\$ 4,454,127	\$ 3,924,883

Liabilities and Net Assets

Current liabilities		
Accounts and grants payable and accrued expenses	\$ 389,435	\$ 421,064
Net assets		
Without donor restrictions (deficit)	898,023	(13,204)
With donor restrictions	3,166,669	3,517,023
Total net assets	4,064,692	3,503,819
Total liabilities and net assets	\$ 4,454,127	\$ 3,924,883

See notes to financial statements.

RIVERKEEPER, INC.

Statement of Activities

	Year Ended June 30			
	2024		2023	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Support and revenue				
Contributions and pledges	\$ 2,132,011	\$ 2,338,700	\$ 4,470,711	\$ 2,129,179
Special events, net of direct cost of donor benefits of \$77,726 and \$69,584 in 2024 and 2023, respectively	605,433	-	605,433	688,105
Contributions of nonfinancial assets	527,945	-	527,945	836,683
Investment return	106,483	-	106,483	44,265
Other	3,688	-	3,688	3,978
Legal settlements and cost reimbursements	52,195	-	52,195	5,150
Net assets released from restrictions	2,689,054	(2,689,054)	-	(1,223,660)
Total support and revenue	<u>6,116,809</u>	<u>(350,354)</u>	<u>5,766,455</u>	<u>4,931,020</u>
				<u>276,365</u>
				<u>5,207,385</u>
Expenses				
Program services	3,878,183	-	3,878,183	-
Supporting activities				4,501,049
Management and general	461,411	-	461,411	256,271
Fund-raising	865,988	-	865,988	378,818
Total supporting activities	1,327,399	-	1,327,399	635,089
Total expenses	<u>5,205,582</u>	<u>-</u>	<u>5,205,582</u>	<u>5,136,138</u>
Increase (decrease) in net assets	911,227	(350,354)	560,873	(205,118)
Net assets (deficit), beginning of year	(13,204)	3,517,023	3,503,819	191,914
Net assets, end of year	\$ 898,023	\$ 3,166,669	\$ 4,064,692	\$ (13,204)
				\$ 3,517,023
				\$ 3,503,819

See notes to financial statements.

RIVERKEEPER, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2024
(with Summarized Comparative Information for the Year Ended June 30, 2023)

	2024				2023			
	Habitat and Water Quality	Legal, Climate and Energy	Advocacy, Policy and Patrols	Other Program Service	Total Program Services	Supporting Activities Management and General	Fund-raising	Total
Salaries	\$ 888,762	\$ 521,403	\$ 469,327	\$ 121,993	\$2,001,485	\$ 224,564	\$ 526,670	\$ 2,752,719
Payroll taxes and employee benefits	148,283	126,451	173,085	37,922	485,741	83,966	113,791	683,498
Professional fees and consulting	105,962	86,201	58,790	51,807	302,760	62,887	117,049	482,696
Insurance	4,643	4,643	7,465	4,643	21,394	27,860	-	49,254
Contributions of professional services	26,122	501,823	-	-	527,945	-	-	527,945
Conferences and meetings	1,559	156	411	146	2,272	481	175	2,928
Dues and subscriptions	1,777	1,164	20,492	1,164	24,597	1,662	(35)	26,224
Equipment rental and maintenance	3,745	15,175	5,152	3,668	27,740	5,847	5,563	39,150
Other events	5,101	1,015	4,264	823	11,203	3,838	508	15,549
Occupancy and utilities	20,642	20,642	38,880	20,642	100,806	29,489	5,898	136,193
Postage and shipping	1,520	369	396	368	2,653	336	9,476	12,465
Printing and publications	8,490	1,010	790	790	11,080	396	1,328	13,348
Public relations and program outreach	153	153	153	153	612	108	330	1,050
Supplies	44,261	3,233	18,278	3,233	69,005	(1,854)	13,202	80,353
Telephone	878	878	2,537	878	5,171	1,247	251	6,669
Travel	12,490	2,831	12,619	1,134	29,074	1,445	4,835	35,354
Depreciation and amortization	3,752	3,752	3,752	3,752	15,008	5,358	1,072	21,438
Uncollectible accounts	-	-	-	-	-	-	51,543	51,543
Direct mail	1,188	1,188	3,188	1,188	6,752	-	250	7,002
Outside services	46,142	47,042	92,857	46,844	232,885	13,781	14,082	266,748
Special events	-	-	-	-	-	-	77,726	77,726
Total expenses by function	1,325,470	1,339,129	912,436	301,148	3,878,183	461,411	943,714	5,283,308
Less: direct expenses of special events net with revenue on the statement of activities	-	-	-	-	-	-	77,726	77,726
Total expenses	\$1,325,470	\$1,339,129	\$ 912,436	\$ 301,148	\$3,878,183	\$ 461,411	\$ 865,988	\$5,205,582
								\$ 2,435,137
								584,255
								761,658
								47,629
								836,683
								1,498
								30,906
								68,392
								18,758
								134,089
								13,909
								13,348
								465
								64,162
								6,891
								26,105
								7,129
								10,054
								48,090
								26,980
								69,584

See notes to financial statements.

RIVERKEEPER, INC.**Statement of Cash Flows**

	Year Ended	
	June 30	
	2024	2023
Cash flows from operating activities		
Increase in net assets	\$ 560,873	\$ 71,247
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	21,438	7,129
Donated stock	(93,440)	(127,528)
Proceeds from sale of donated stock	93,440	127,528
Contributions with perpetual donor restrictions	(24,494)	-
(Increase) decrease in assets		
Contributions and pledges receivable	72,269	(70,577)
Prepaid expenses	395	(3,205)
Security deposits	-	600
Increase (decrease) in accounts and grants payable and accrued expenses	(31,629)	298,339
Net cash provided by operating activities	598,852	303,533
Cash flows (used in) investing activities		
Purchases of property and equipment	(220,590)	(16,961)
Cash flows from financing activities		
Contributions with perpetual donor restrictions	24,494	-
Net increase in cash	402,756	286,572
Cash, beginning of year	<u>2,308,816</u>	<u>2,022,244</u>
Cash, end of year	<u>\$2,711,572</u>	<u>\$2,308,816</u>

See notes to financial statements.

RIVERKEEPER, INC.

Notes to Financial Statements June 30, 2024

Note 1 – Nature of organization

Riverkeeper, Inc (“Riverkeeper”) is a not-for-profit organization whose mission is to protect and restore the Hudson River from source to sea and safeguards drinking water supplies, through advocacy rooted in community partnerships, science and law. Riverkeeper is currently focused on the following goals: improve water quality of the Hudson River and its tributaries and protect drinking water supplies; restore wildlife and habitats in the Hudson River and its tributaries, support communities seeking to envision and enact positive change in their relationships with the Hudson River, its tributaries, and drinking water supplies, and address climate change’s impacts on the Hudson River, its tributaries, shoreline communities and drinking water supplies.

Note 2 – Summary of significant accounting policies

Financial reporting

Riverkeeper maintains its net assets in the two following categories:

- Without donor restrictions

Net assets without donor restrictions are used to account for the general operations of Riverkeeper.

- With donor restrictions

Temporary donor restrictions

Net assets with temporary donor restrictions represent contributions and pledges that are restricted by the donor for a specific purpose or relate to future periods.

Net assets with temporary donor restrictions for the year ended June 30, 2024 was as follows:

	<u>Balance</u> <u>June 30,</u> <u>2023</u>	<u>Additions</u>	<u>Net Assets</u> <u>Released</u> <u>from</u> <u>Restrictions</u>	<u>Balance</u> <u>June 30,</u> <u>2024</u>
Purpose	\$ 2,145,622	\$ 1,816,631	\$(2,220,485)	\$ 1,741,768
Timing	286,559	497,575	(468,569)	315,565
Total	<u>\$ 2,432,181</u>	<u>\$ 2,314,206</u>	<u>\$(2,689,054)</u>	<u>\$ 2,057,333</u>

Perpetual donor restrictions

Net assets with perpetual donor restrictions consist of contributions that are restricted by the donors in that the principal must remain in perpetuity, investment return earned on such funds may be spent in accordance with the donor terms. Net assets with perpetual donor restrictions for the years ended June 30, 2024 and June 30, 2023 totaled \$1,109,336 and \$1,084,842, respectively.

RIVERKEEPER, INC.**Notes to Financial Statements (continued)
June 30, 2024****Note 2 – Summary of significant accounting policies (continued)**Cash equivalents

Riverkeeper considers any highly liquid assets with original maturities of 90 days or less to be cash equivalents. At June 30, 2024 and June 30, 2023, Riverkeeper did not have any cash equivalents.

Property and equipment

Property and equipment above a nominal amount with an estimated life of one year or longer are recorded at cost. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets, which range from 3 to 15 years. Leasehold improvements are amortized over the life of the lease or the estimated useful life of the improvement, which ever is shorter.

Contributions and pledges receivable

As of June 30, 2024 and June 30, 2023, contributions and pledges receivable, include unconditional promises to give, are due to be collected as follows:

	<u>2024</u>	<u>2023</u>
Less than one year	\$ 1,273,643	\$ 1,420,912
One to five years	<u>200,000</u>	<u>125,000</u>
Net contribution receivable	<u>\$ 1,473,643</u>	<u>\$ 1,545,912</u>

Contributions, pledges and net assets released from restrictions

Riverkeeper reports contributions and pledges as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulation expires, that is, when a stipulated time restriction ends or the purpose for the restriction is accomplished, 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. Riverkeeper's policy is to record contributions and pledges without donor restrictions, if donor restrictions are satisfied in the same fiscal year that the contribution was received.

Functional expenses

The costs of providing the various programs and supporting activities have been summarized on a functional basis. Accordingly, certain costs have been allocated between the program services and supporting activities. Expenses attributable to more than one functional area are allocated based on time and effort.

Allowance for doubtful accounts

As of June 30, 2024 and June 30, 2023, Riverkeeper did not have an allowance for doubtful accounts. The allowance is based on management's experience, the aging of the contributions and pledges receivable, subsequent receipts and current economic conditions.

RIVERKEEPER, INC.**Notes to Financial Statements (continued)**
June 30, 2024**Note 2 – Summary of significant accounting policies (continued)**Legal settlements and cost reimbursements

In connection with cases decided and settled in Riverkeeper's favor, legal settlements and cost reimbursements may be received. Due to the uncertainty as to the amount, until it is verified, revenue is not recognized.

Concentrations of credit risk

Riverkeeper's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and receivables. Riverkeeper places its cash with what it believes to be quality financial institutions and Riverkeeper has not incurred any loss on such accounts to date. Receivables consist of amounts due from donors, which are monitored by management as to collections. Accordingly, Riverkeeper believes no significant concentrations of credit risk exist with respect to its cash and receivables.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Riverkeeper's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Subsequent events

Riverkeeper has evaluated events and transactions for potential recognition or disclosure through September 24, 2024, which is the date the financial statements were available to be issued.

RIVERKEEPER, INC.

Notes to Financial Statements (continued)
June 30, 2024

Note 3 – Liquidity and availability of financial assets

Riverkeeper regularly monitors the availability of resources required to meet its operating needs and other commitments while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, Riverkeeper considers all expenditures related to its ongoing activities to be general expenditures.

The following is a summary of Riverkeeper's financial assets as of June 30, 2024 and June 30, 2023 that are available for general use within one year of the statement of financial position date:

	<u>2024</u>	<u>2023</u>
Financial assets		
Cash	\$ 2,711,572	\$ 2,308,816
Current portion of contributions and pledges receivable	<u>1,273,643</u>	<u>1,420,912</u>
Sub-total	3,985,215	3,729,728
Less: Net assets with perpetual donor restrictions	<u>1,109,336</u>	<u>1,084,842</u>
Total	<u>\$ 2,875,879</u>	<u>\$ 2,644,886</u>

In addition, Riverkeeper has a \$250,000 line of credit (see note 5) that can be utilized during the fiscal year if necessary.

Note 4 – Contributed nonfinancial assets

Riverkeeper recognizes contributed nonfinancial assets within public support and revenue. Unless otherwise noted, the contributed nonfinancial assets do not have donor-imposed restrictions.

Riverkeeper receives certain legal services and water testing from citizen scientists without charge or on a reduced fee basis, to support its programs and to enforce environmental laws. During the years ended June 30, 2024 and June 30, 2023, Riverkeeper recorded contributed nonfinancial assets of \$527,945 and \$836,683, respectively. These amounts have been included as both revenue and corresponding expenses in the accompanying financial statements.

For the years ended June 30, 2024 and June 30, 2023, contributed nonfinancial assets recognized in the statement of activities included the following:

<u>Description</u>	<u>2024</u>	<u>2023</u>
Legal and professional fees	\$ 501,823	\$ 811,338
Citizen scientist	<u>26,122</u>	<u>25,345</u>
Total	<u>\$ 527,945</u>	<u>\$ 836,683</u>

RIVERKEEPER, INC.**Notes to Financial Statements (continued)
June 30, 2024****Note 4 – Contributed nonfinancial assets (continued)**

In addition, Riverkeeper relies extensively upon the utilization of volunteers to carry out its programs and supporting services. Management estimates that volunteers contributed approximately 6,600 hours and 3,700 hours, respectively, during the 2024 and 2023 fiscal years. Since these services received do not require specialized skills, the value of such services is not reflected in the financial statements, although they constituted a significant factor in the operations of Riverkeeper.

Note 5 – Line of credit

Riverkeeper has a \$250,000 line of credit, which renews annually. Amounts borrowed under this line are due on demand and bear interest at the bank's prime rate less 0.25%. At June 30, 2024, Riverkeeper did not have any outstanding borrowings on the line of credit.

Note 6 – Occupancy

Riverkeeper is currently paying office rent on a month-to-month basis. In connection with the agreement, Riverkeeper has deposited \$10,000 as security with the landlord.

For both the fiscal years ended June 30, 2024 and June 30, 2023, office rent expense totaled \$70,000 and is part of occupancy and utilities on the statement of functional expenses.

Note 7 – Tax status

Riverkeeper is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, Riverkeeper has been determined by the Internal Revenue Service to be a publicly supported organization as described in Section 509(a)(1) and 170(b)(1)(A)(vi) of the Code and not a private foundation. Riverkeeper qualifies for the maximum charitable contribution deduction for donors.