

# **American Rivers, Inc.**

Consolidated Financial and Compliance Report  
June 30, 2024

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## Independent Auditor's Report

Board of Directors  
American Rivers, Inc.

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the consolidated financial statements of American Rivers, Inc. and Affiliate ("American Rivers"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of American Rivers as of June 30, 2024 and 2023, and the changes in their net assets and their 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) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 American Rivers 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 American Rivers' ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS and *Government 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 GAAS and *Government 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 American Rivers' 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 American Rivers' 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2025, on our consideration of American Rivers' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of American Rivers' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering American Rivers' internal control over financial reporting and compliance.

*RSM US LLP*

Washington, D.C.  
May 20, 2025

American Rivers, Inc.

Consolidated Statements of Financial Position  
June 30, 2024 and 2023

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 8,891,183	\$ 7,666,484
State, local, federal and other governmental accounts receivable, net:		
Billed	1,153,444	1,142,775
Unbilled	5,229,724	1,478,526
Grants receivable and promises to give, net	5,245,858	4,870,770
Other contract receivables	84,528	264,155
Prepaid expenses and other current assets	326,889	310,127
Property and equipment, net	70,668	89,886
Investments	1,243,955	1,090,479
Investments held for endowment	3,150,554	2,877,649
Right-of-use assets—operating	1,165,523	1,585,888
	<u>1,165,523</u>	<u>1,585,888</u>
<b>Total assets</b>	<b>\$ 26,562,326</b>	<b>\$ 21,376,739</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 3,443,273	\$ 1,088,724
Accrued salaries and related benefits	937,403	776,363
Refundable advances	248,831	585,690
Deferred revenue	287,604	-
Charitable gift annuities	171,690	180,933
Lease liabilities—operating	1,384,752	1,881,074
	<u>1,384,752</u>	<u>1,881,074</u>
<b>Total liabilities</b>	<b>6,473,553</b>	<b>4,512,784</b>
Commitments and contingencies (Note 10)		
Net assets:		
Without donor restrictions:		
Undesignated	4,274,897	2,028,816
Board-designated—reserve fund	1,139,089	979,310
	<u>1,139,089</u>	<u>979,310</u>
<b>Total net assets without donor restrictions</b>	<b>5,413,986</b>	<b>3,008,126</b>
With donor restrictions	14,674,787	13,855,829
	<u>14,674,787</u>	<u>13,855,829</u>
<b>Total net assets</b>	<b>20,088,773</b>	<b>16,863,955</b>
	<u>20,088,773</u>	<u>16,863,955</u>
<b>Total liabilities and net assets</b>	<b>\$ 26,562,326</b>	<b>\$ 21,376,739</b>
	<u>\$ 26,562,326</u>	<u>\$ 21,376,739</u>

See notes to consolidated financial statements.

American Rivers, Inc.

Consolidated Statements of Activities  
Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support:						
State and local grants	\$ 9,346,103	\$ -	\$ 9,346,103	\$ 2,802,188	\$ 30,500	\$ 2,832,688
Foundation grants	1,501,458	3,517,619	5,019,077	1,321,897	6,483,802	7,805,699
Contributions	7,479,929	5,223,487	12,703,416	3,594,720	1,715,201	5,309,921
Federal grants	6,674,182	-	6,674,182	1,625,610	-	1,625,610
Membership	1,558,574	-	1,558,574	1,503,235	-	1,503,235
Program service contracts	456,552	-	456,552	940,337	-	940,337
Corporate donations	185,837	130,151	315,988	411,669	17,300	428,969
Other	409,974	207,474	617,448	129,361	1,060,301	1,189,662
Investment income, net	338,484	403,110	741,594	202,559	295,066	497,625
Net assets released from restrictions	8,662,883	(8,662,883)	-	7,143,027	(7,143,027)	-
<b>Total revenue, gains and other support</b>	<b>36,613,976</b>	<b>818,958</b>	<b>37,432,934</b>	<b>19,674,603</b>	<b>2,459,143</b>	<b>22,133,746</b>
Expenses:						
Program services:						
Restore damaged rivers and waters	23,163,741	-	23,163,741	11,094,966	-	11,094,966
Mobilize river and water movement	2,355,735	-	2,355,735	2,105,481	-	2,105,481
Protect healthy rivers	1,342,229	-	1,342,229	1,282,971	-	1,282,971
<b>Total program expenses</b>	<b>26,861,705</b>	<b>-</b>	<b>26,861,705</b>	<b>14,483,418</b>	<b>-</b>	<b>14,483,418</b>
Supporting services:						
Fundraising	4,563,790	-	4,563,790	3,844,116	-	3,844,116
Management and general	2,772,339	-	2,772,339	2,490,471	-	2,490,471
<b>Total supporting expenses</b>	<b>7,336,129</b>	<b>-</b>	<b>7,336,129</b>	<b>6,334,587</b>	<b>-</b>	<b>6,334,587</b>
<b>Total expenses</b>	<b>34,197,834</b>	<b>-</b>	<b>34,197,834</b>	<b>20,818,005</b>	<b>-</b>	<b>20,818,005</b>
<b>Change in net assets before other item</b>	<b>2,416,142</b>	<b>818,958</b>	<b>3,235,100</b>	<b>(1,143,402)</b>	<b>2,459,143</b>	<b>1,315,741</b>
Other item:						
Change in value of charitable gift annuities	(10,282)	-	(10,282)	(15,895)	-	(15,895)
<b>Change in net assets</b>	<b>2,405,860</b>	<b>818,958</b>	<b>3,224,818</b>	<b>(1,159,297)</b>	<b>2,459,143</b>	<b>1,299,846</b>
Net assets:						
Beginning	3,008,126	13,855,829	16,863,955	4,167,423	11,396,686	15,564,109
Ending	\$ 5,413,986	\$ 14,674,787	\$ 20,088,773	\$ 3,008,126	\$ 13,855,829	\$ 16,863,955

See notes to consolidated financial statements.

American Rivers, Inc.

Consolidated Statement of Functional Expenses  
Year Ended June 30, 2024

	Program Services				Supporting Services			
	Restore Damaged Rivers and Waters	Mobilize River and Water Movement	Protect Healthy Rivers	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Professional services	\$ 11,988,915	\$ 588,610	\$ 239,112	\$ 12,816,637	\$ 562,782	\$ 93,815	\$ 656,597	\$ 13,473,234
Salaries	3,695,552	893,845	563,901	5,153,298	1,613,377	1,291,752	2,905,129	8,058,427
Other employee benefits	1,305,598	308,199	194,097	1,807,894	557,023	443,944	1,000,967	2,808,861
Grants	4,925,309	73,909	132,242	5,131,460	-	-	-	5,131,460
Rent and occupancy	88,680	83,099	29,521	201,300	145,074	331,394	476,468	677,768
Payroll taxes	334,685	79,006	49,756	463,447	142,791	113,803	256,594	720,041
Postage and mailing	3,574	4,383	958	8,915	370,937	10,231	381,168	390,083
Printing and publications	11,510	55,750	2,589	69,849	383,135	2,433	385,568	455,417
Supplies	58,399	37,559	6,700	102,658	88,276	199,247	287,523	390,181
Retirement plan	133,157	31,433	19,796	184,386	56,811	45,278	102,089	286,475
Legal services	43,741	38,852	5,881	88,474	-	10,000	10,000	98,474
Other	5,462	1,058	623	7,143	12,211	30,685	42,896	50,039
Travel	459,819	97,691	81,135	638,645	115,257	27,153	142,410	781,055
Telecommunications	5,164	3,242	2,841	11,247	5,348	42,478	47,826	59,073
Conferences and meetings	88,604	3,717	11,546	103,867	25,109	52,303	77,412	181,279
Accounting fees	-	-	-	-	-	58,982	58,982	58,982
Equipment rental and maintenance	3,287	3,332	832	7,451	5,845	11,757	17,602	25,053
Depreciation and amortization	4,479	21,262	247	25,988	3,239	7,084	10,323	36,311
Professional lobbying	7,806	30,788	452	39,046	-	-	-	39,046
Professional fundraising fees	-	-	-	-	476,575	-	476,575	476,575
	<u>\$ 23,163,741</u>	<u>\$ 2,355,735</u>	<u>\$ 1,342,229</u>	<u>\$ 26,861,705</u>	<u>\$ 4,563,790</u>	<u>\$ 2,772,339</u>	<u>\$ 7,336,129</u>	<u>\$ 34,197,834</u>

See notes to consolidated financial statements.

**American Rivers, Inc.**

**Consolidated Statement of Functional Expenses  
Year Ended June 30, 2023**

	Program Services				Supporting Services			
	Restore Damaged Rivers and Waters	Mobilize River and Water Movement	Protect Healthy Rivers	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Professional services	\$ 5,200,832	\$ 542,448	\$ 139,070	\$ 5,882,350	\$ 571,881	\$ 119,622	\$ 691,503	\$ 6,573,853
Salaries	2,974,706	840,380	617,049	4,432,135	1,325,529	1,137,021	2,462,550	6,894,685
Other employee benefits	962,391	278,018	205,704	1,446,113	435,302	378,293	813,595	2,259,708
Grants	873,998	9,500	111,850	995,348	-	-	-	995,348
Rent and occupancy	124,308	87,227	26,544	238,079	155,179	285,985	441,164	679,243
Payroll taxes	260,275	75,189	55,632	391,096	117,726	102,308	220,034	611,130
Postage and mailing	2,766	14,694	874	18,334	351,852	11,016	362,868	381,202
Printing and publications	27,271	57,347	8,810	93,428	473,960	4,161	478,121	571,549
Supplies	52,523	45,195	6,492	104,210	59,839	176,275	236,114	340,324
Retirement plan	85,470	24,691	18,269	128,430	38,659	33,596	72,255	200,685
Legal services	37,187	1,191	3,148	41,526	-	-	-	41,526
Other	9,757	1,473	877	12,107	682	40,919	41,601	53,708
Travel	309,759	64,489	56,757	431,005	90,470	24,783	115,253	546,258
Telecommunications	8,727	4,596	3,049	16,372	7,840	32,103	39,943	56,315
Conferences and meetings	149,313	45,350	28,058	222,721	25,967	67,348	93,315	316,036
Accounting fees	-	-	-	-	-	58,734	58,734	58,734
Equipment rental and maintenance	6,783	4,372	550	11,705	7,796	13,911	21,707	33,412
Depreciation and amortization	8,900	9,321	238	18,459	3,384	4,396	7,780	26,239
Professional fundraising fees	-	-	-	-	178,050	-	178,050	178,050
	<u>\$ 11,094,966</u>	<u>\$ 2,105,481</u>	<u>\$ 1,282,971</u>	<u>\$ 14,483,418</u>	<u>\$ 3,844,116</u>	<u>\$ 2,490,471</u>	<u>\$ 6,334,587</u>	<u>\$ 20,818,005</u>

See notes to consolidated financial statements.

**American Rivers, Inc.**

**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2024 and 2023**

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 3,224,818	\$ 1,299,846
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	36,311	26,239
Amortization of right-of-use assets—operating	420,365	483,250
Realized and unrealized gain on investments	(495,950)	(340,006)
Change in value of charitable gift annuities	10,282	15,895
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable—billed	(10,669)	(442,780)
Accounts receivable—unbilled	(3,751,198)	(62,219)
Grants and promises to give	(375,088)	(2,236,081)
Other contract receivables	179,627	(29,184)
Prepaid expenses and other current assets	(16,762)	11,801
Increase (decrease) in:		
Accounts payable and accrued expenses	2,354,549	55,549
Accrued salaries and related benefits	161,040	81,071
Refundable advances	(336,859)	(135,507)
Deferred revenue	287,604	-
Charitable gift annuities	(19,525)	(18,285)
Lease liabilities—operating	(496,322)	(545,057)
Deposits payable	-	(63)
<b>Net cash provided by (used in) operating activities</b>	<b>1,172,223</b>	<b>(1,835,531)</b>
Cash flows from investing activities:		
Proceeds from sales of investments	946,900	1,421,344
Purchases of investments	(877,331)	(1,362,323)
Purchases of property and equipment	(17,093)	(58,249)
<b>Net cash provided by investing activities</b>	<b>52,476</b>	<b>772</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,224,699</b>	<b>(1,834,759)</b>
Cash and cash equivalents:		
Beginning	7,666,484	9,501,243
Ending	<b>\$ 8,891,183</b>	<b>\$ 7,666,484</b>
Supplemental disclosures of cash flow information:		
Addition to right-of-use assets for operating leases	\$ -	\$ 2,069,138
Addition to operating lease liabilities	\$ -	\$ 2,426,131
Operating cash outflows—payments on operating leases	<b>\$ 560,908</b>	<b>\$ 621,765</b>

See notes to consolidated financial statements.

**Note 1. Nature of Activities and Significant Accounting Policies**

**Nature of activities:** American Rivers is championing a national effort to protect and restore all rivers, from remote mountain streams to urban waterways. Healthy rivers provide people and nature with clean, abundant water and natural habitat. For 50 years, American Rivers staff, supporters and partners have shared a common belief: Life Depends on Rivers.

American Rivers is the only national organization dedicated entirely to protecting and restoring the rivers all life depends on. With a half-century of experience addressing river threats from coast-to-coast, American Rivers has protected more rivers and removed more dams than any other organization. As a trusted leader and coalition-builder, we are championing a national effort to protect and restore all rivers, from remote mountain streams to urban waterways.

In 2024, we worked in 50 states to protect healthy rivers, restore damaged rivers, and champion a powerful river movement. In addition to protecting 853 miles of rivers from damming and development, we removed 7 dams, restored more than 1,160 miles of rivers through dam removal, and galvanized more than 15,993 volunteers to remove more than 550,000 pounds of trash from their hometown rivers.

The American Rivers Action Fund (the Action Fund), is a nonstock nonprofit corporation, duly organized and incorporated in December 2023 under the General Corporation Law of the State of Delaware. The Action Fund is incorporated and operated for social welfare purposes within the meaning of Section 501(c)(4) of the IRC, and more specifically to engage the public and public officials in the conservation and protection of America's remaining wild and scenic rivers and their immediate environs.

American Rivers and its affiliate are collectively referred to as American Rivers.

**American Rivers' major programs:**

**Restore damaged rivers and waters:** We need to fundamentally transform the health of rivers in our country. Up to 85% of all dams in our country are unnecessary, harmful, and even dangerous. Because removing a dam is the single most impactful way to secure a river's future health, we must remove thousands of them quickly. Our work to remove dams has been central to American Rivers over the past decades and will be even more important as we work to restore rivers in the decades ahead. We are prioritizing removing 400 outdated and unsafe dams by 2027 and will kickstart the removal of 30,000 dams by 2050. We also drive national solutions to flooding that prioritize communities' safety, equity, and the health of river habitats and will restore 20,000 acres of functional floodplains by 2027. In addition, we work to ensure clean water by working in cities to connect communities to their rivers, and we work to restore healthy river flows, habitat, and access by engaging in hydropower relicensing and reform.

**Mobilize river and water movement:** American Rivers has always been known for our willingness and ability to work with everyone, from local partners to government agencies to decision-makers, to do what's best for rivers. We know that the challenges to rivers are increasing dramatically. We need a broad, powerful, non-partisan river movement to face these challenges and drive change that makes rivers healthier, water cleaner, and communities safer. We won't stop until every river has multitudes of champions speaking up for it.

**Protect healthy rivers:** Scientists say we must protect one-half of the planet to sustain the web of biodiversity upon which all life depends. By driving federal and state protections, we will safeguard 1 million miles of rivers, from remote mountain streams to urban waterways. To do it, we are working with local partners to protect our healthiest, most remote, and scenic rivers, as well as rivers in urban and suburban areas, through the federal Wild and Scenic legislation and other approaches.

## American Rivers, Inc.

### Notes to Consolidated Financial Statements

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

A summary of American Rivers' significant accounting policies follows:

**Principles of consolidation:** The consolidated financial statements include the accounts of American Rivers, Inc. and its consolidated affiliate the American Rivers Action Fund (the Action Fund). All significant inter-organization accounts and transactions have been eliminated in consolidation.

**Basis of presentation:** The consolidated financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As required by the Non-Profit Entities topic of ASC, Financial Statements of Not-for-Profit Organizations, American Rivers is required to report information regarding its consolidated financial position and activities according to two classes of net assets: Net assets without donor restrictions and net assets with donor restrictions.

**Without donor restrictions:** Net assets without donor restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation. Board-designated net assets without donor restrictions consist of net assets designated by the Board of Directors for an operating reserve.

**With donor restrictions:** Net assets with donor restrictions include those net assets whose use is subject to donor restrictions. Donor restrictions may be for a specified time or purpose limitation or the donor may specify that the corpus of their original and certain subsequent gifts be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Cash and cash equivalents:** American Rivers considers all unrestricted highly liquid investments with an initial maturity of 90 days or less to be cash equivalents. Cash and cash equivalents held by the investment custodian to facilitate investment transactions or for investment are reported as investments in the consolidated statements of financial position.

**Investments:** Investments in marketable debt and equity securities are carried at fair value. Unrealized and realized gains and losses are reported in the consolidated statements of activities as part of investment income.

**Financial risk:** American Rivers maintains demand deposits with commercial banks and money market funds with financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. As such, the failure of an underlying institution could result in financial loss to American Rivers.

American Rivers invests funds in a professionally managed portfolio that contains various types of marketable securities. Such investments are exposed to market and credit risks. As such, American Rivers' investments may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying consolidated financial statements may not be reflective of the portfolio's value during subsequent periods.

**Notes to Consolidated Financial Statements**

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

**Other contract receivables and allowance for credit losses and doubtful accounts and recent accounting pronouncement—adopted:** Other contract receivables are billings to various corporate sponsors and to other organizations for reimbursable expenditures. Effective July 1, American Rivers adopted Accounting Standards Update 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost with the cumulative-effect transition method with the required prospective approach. The measurement of expected credit losses under the current expected credit loss (CECL) methodology is applicable to financial assets measured at amortized cost, which include trade receivables, contract assets and noncurrent receivables. An allowance for credit losses under the CECL methodology is determined using the loss-rate approach and measured on a collective (pool) basis when similar risk characteristics exist. Where financial instruments do not share risk characteristics, they are evaluated on an individual basis. The CECL allowance is based on relevant available information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. American Rivers did not record an allowance for credit losses as of June 30, 2024, for its contract receivables.

**State, local, federal and other governmental accounts receivable:** American Rivers' state, local, deferral and other governmental accounts receivable consist primarily of progress billings to several federal, state or local agencies. These receivables are valued at management's estimate of the amount that will ultimately be collected. The allowance for doubtful accounts is based on specific identification of uncollectible accounts and American Rivers' historical collection experience. At June 30, 2024 and 2023, management considers all accounts receivable to be fully collectible. Unbilled amounts represent costs incurred and estimated fees on contracts for which billings have not yet been presented. Typically, invoices are prepared either monthly or quarterly based on the prior month's or quarter's activities. When billed, these amounts are included in the consolidated statements of financial position as state, local, federal and other governmental accounts receivable—billed.

**Grants receivable and promises to give:** Grants receivable and promises to give reflect commitments made to American Rivers by various donors. Grants for which payments are to be received in future years have been discounted to their present value at 1%. Grants receivables and promises to give are valued at management's estimate of the amount that will ultimately be collected. The allowance for doubtful grants receivable and promises to give is based on specific identification of uncollectible accounts and American Rivers' historical collection experience. At June 30, 2024 and 2023, management elected not to record an allowance for doubtful grants receivable and promises to give as all outstanding amounts were deemed to be collectible.

**Contract balances:** The timing of revenue recognition may not align with the right to invoice the customer. American Rivers records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. If revenue is recognized in advance of the right to invoice, a contract asset (unbilled receivable) is recorded. Contract receivables totaled \$84,528 and \$264,155, and deferred revenue totaled \$287,604 and \$0 for the years ended June 30, 2024 and 2023, respectively. Opening balances as of July 1, 2022, for accounts receivable was \$239,196 and deferred revenue is \$21,332.

**Property and equipment:** American Rivers capitalizes all property and equipment with a cost of \$5,000 or more. Property and equipment are recorded at cost and depreciated on the straight-line basis over estimated lives of three to 10 years. Amortization of leasehold improvements is provided using the straight-line method of the lesser of the useful lives of the related assets or the term of the lease.

**Notes to Consolidated Financial Statements**

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

**Refundable advances:** Refundable advances represent funds received from governments and fees for service contracts in advance of incurring qualifying expenditures. Refundable advances balances for the years ended June 30, 2024 and 2023, totaled \$248,831 and \$585,690, respectively.

**Deferred revenue:** Deferred revenue represents revenue received from entities for service contracts in advance of the revenue being earned. Deferred revenue advances balances for the years ended June 30, 2024 and 2023, totaled \$287,604 and \$0, respectively.

**Right-of-use assets:** Right-of-use (ROU) assets consist of the initial lease liability, any payments made to the lessor at or before the commencement date minus any incentives received and initial direct costs. Operating ROU assets are amortized over the remaining lease term.

**Leases:** American Rivers determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) American Rivers obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. American Rivers also considers whether its service arrangements include the right to control the use of an asset.

American Rivers made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or July 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, American Rivers made an accounting policy election available to non-public companies to utilize the risk-free rate based on the remaining term for leases existing upon adoption of Topic 842.

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

A lessee that is not a public business entity is permitted to use a risk-free discount rate for its leases, determined using a period comparable with that of the lease term, as an accounting policy election for all leases. In order to ease the accounting burden of determining incremental borrowing rates under ASC 842, American Rivers has made this accounting policy election for all leases. The risk-free discount rates were obtained using U.S. Treasury securities as posted on the Federal Reserve website.

**Revenue recognition:** American Rivers is the subrecipient of cost-reimbursable grants with U.S. government agencies which typically qualify as conditional awards. Revenue from these conditional awards is recognized as costs are incurred on the basis of direct costs plus allocable indirect expenses. Direct and indirect expenses incurred, but not yet reimbursed, under these grants are reported as accounts receivable in the accompanying consolidated statements of financial position. Payments received, but not yet expended, for the purpose of the grants are reflected as refundable advances in the accompanying consolidated statements of financial position.

**Notes to Consolidated Financial Statements**

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

Grants other than government grants and contributions, including sponsorships, are recorded as revenue when received or promised. Gifts of cash and other assets are reported as support with donor restrictions if they are received or promised with donor stipulations that limit the use of the donated assets to one of American Rivers' programs or to a future year. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), the restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restriction. Net assets received with donor restrictions met in the same year, are also recorded as support with donor restrictions and reclassified when the restrictions are met.

American Rivers has determined that funding received under government grants to be conditional contributions. As American Rivers incurs expenses that are allowed and recoverable in accordance with the grant agreements, the conditions are considered to have been met. Thus, contributions related to federal projects are recognized as costs qualified under the grants are incurred. Government funds received in advance of costs incurred, while rare, are recorded as refundable advances until expended for the purpose of the grant. In addition, some grants have matching requirements that must be met in order to recognize revenue. Conditional awards are recognized to net assets without donor restrictions if time and purpose restrictions had already been satisfied at the time conditions are substantially met. Federal costs incurred in excess of funds received are recorded as grants receivable.

Revenue from all other sources is recognized when earned, including membership revenue which is another form of contribution revenue as no membership benefits are provided to donors.

The revenue streams noted above do not include significant financing components as the performance obligations are typically satisfied within a year of receipt of payment. Economic factors driven by consumer confidence, employment, inflation, and other world events impact the timing and level of cash received and revenue recognized by American Rivers. Periods of economic downturn resulting from any of the above factors may result in declines in future consolidated cash flows and recognized revenue of American Rivers, or can have a positive impact on consolidated cash flows in favorable economic conditions.

Payments on contracts with customers are typically due upon receipt of invoice by the customer. American Rivers did not have any impairment or credit losses on any receivables or contract assets arising from contracts with customers. There are also no incremental costs of obtaining a contract and no significant financing components. Finally, there are no significant changes in the judgements affecting the determination of the amount and timing of revenue from contracts with customers. The level of revenue generated through contracts with customers can fluctuate due to certain economic factors, specifically in the lending and financing industry.

**Functional allocation of expenses:** The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements of functional expenses. Expenses that can be identified with a specific program or support service (management and fundraising) are charged directly to that program or support service. Costs that are common to multiple functions are allocated to those functions using a reasonable allocation method as described as follows. Salaries are allocated based on electronic timecards which are completed by all employees. Benefits include paid leave, health insurance and payroll taxes and are allocated on a budgeted rate based on salaries. Occupancy costs are costs associated with offices that share expenses among multiple programs and include items such as rent, utilities, supplies, equipment leases and maintenance. Occupancy is allocated by location at a budgeted rate and is based on salaries. IT Services include the contract costs of outside IT support services. IT services are allocated based on timecard hours charged at a budgeted hourly rate. Overhead consists of the general and administrative expenses associated with the management of the entire organization. Overhead is allocated based on modified total direct costs which exclude contract and grant amounts in excess of \$25,000. Allocation rates are evaluated and adjusted on an annual basis as part of the budgeting process.

## American Rivers, Inc.

### Notes to Consolidated Financial Statements

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

**Use of estimates:** The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

**Income taxes:** American Rivers is exempt from payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code (IRC) and is not a private foundation under Section 509(a)(1). The Action Fund is incorporated and operated for social welfare purposes and exempt from payment of taxes within the meaning of Section 501(c)(4) of the IRC. American Rivers had an insignificant unrelated business tax liability related to merchandise sales for both the years ended June 30, 2024 and 2023, respectively.

**Subsequent events:** American Rivers has evaluated subsequent events through May 20, 2025, the date on which the consolidated financial statements were available to be issued (See Note 13).

#### Note 2. Fair Value Measurements and Investments

Investments are classified on the consolidated statements of financial position as follows:

	2024	2023
Investments	\$ 1,243,955	\$ 1,090,479
Investments held for endowment	3,150,554	2,877,649
	<u>\$ 4,394,509</u>	<u>\$ 3,968,128</u>

In accordance with U.S. GAAP, American Rivers uses the following prioritized input levels to measure fair value of its investments. The input levels used in valuing investments are not necessarily an indication of risk.

**Level 1:** Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes.

**Level 2:** Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data.

**Level 3:** Unobservable inputs which reflect the fund manager's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

Investments valued using Level 1 inputs include mutual funds and exchange-traded funds, the values of which were based on quoted prices for identical assets in active markets. Management believes the estimated fair values on these investments to be a reasonable approximation of their exit price.

Investments recorded at cost include cash and cash equivalents. Investments at cost are not required to be classified in one of the levels prescribed by the fair value hierarchy.

**American Rivers, Inc.****Notes to Consolidated Financial Statements****Note 2. Fair Value Measurements and Investments (Continued)**

The estimated fair value of investments measured on a recurring basis are as follows at June 30, 2024:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Mutual funds:				
Fixed income	\$ 160,770	\$ -	\$ -	\$ 160,770
Domestic equities	37,144	-	-	37,144
Exchange traded funds:				
Fixed income	860,464	-	-	860,464
Large cap equities	2,021,108	-	-	2,021,108
Small cap equities	473,816	-	-	473,816
International equities	488,523	-	-	488,523
Emerging markets	205,147	-	-	205,147
	<u>\$ 4,246,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>4,246,972</u>
Investments, at cost:				
Money market funds				147,537
				<u>\$ 4,394,509</u>

The estimated fair value of investments measured on a recurring basis are as follows at June 30, 2023:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Mutual funds:				
Fixed income	\$ 202,474	\$ -	\$ -	\$ 202,474
Domestic equities	38,959	-	-	38,959
Exchange traded funds:				
Fixed income	757,666	-	-	757,666
Large cap equities	1,439,737	-	-	1,439,737
Small cap equities	396,564	-	-	396,564
International equities	450,214	-	-	450,214
Emerging markets	190,708	-	-	190,708
Real estate	350,906	-	-	350,906
	<u>\$ 3,827,228</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,827,228</u>
Investments, at cost:				
Money market funds				140,900
				<u>\$ 3,968,128</u>

## American Rivers, Inc.

### Notes to Consolidated Financial Statements

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#### Note 3. Grants Receivable and Promises to Give

Grants receivable and promises to give consisted of the following at June 30, 2024 and 2023:

	2024	2023
Receivable in less than one year	\$ 2,805,419	\$ 4,293,156
Receivable in one to five years	2,658,550	610,000
	<u>5,463,969</u>	<u>4,903,156</u>
Less discount to net present value	(218,111)	(32,386)
	<u>\$ 5,245,858</u>	<u>\$ 4,870,770</u>

#### Note 4. Property and Equipment

Property and equipment consisted of the following at June 30, 2024 and 2023:

	2024	2023
Furniture and equipment	\$ 420,458	\$ 403,365
Leasehold improvements	40,869	40,869
	<u>461,327</u>	<u>444,234</u>
Less accumulated depreciation and amortization	(390,659)	(354,348)
	<u>\$ 70,668</u>	<u>\$ 89,886</u>

Depreciation and amortization expense for the years ended June 30, 2024 and 2023, was \$36,311 and \$26,239, respectively.

#### Note 5. Charitable Gift Annuities

American Rivers is the beneficiary of several charitable gift annuity agreements. American Rivers' interest in these charitable gift annuity agreements is reported as a contribution in the year received at its net present value. Total assets held under these agreements were \$331,891 and \$323,537 at June 30, 2024 and 2023, respectively. The fair values of the assets held in connection to the charitable gift annuities are included in investments on the consolidated statements of financial position. The value of the charitable gift annuity liabilities at June 30, 2024 and 2023, was \$171,690 and \$180,933, respectively. The liabilities related to the charitable gift annuities are determined by discounting expected future cash flows using interest rates for instruments with similar terms and maturities when they were initially received over the estimated remaining life expectancy of the identified beneficiaries.

## American Rivers, Inc.

### Notes to Consolidated Financial Statements

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#### Note 6. Net Assets With Donor Restrictions

Net assets with donor restrictions include those net assets whose use has been restricted by the donors for a specific purpose and/or a specified time limitation. Net assets with donor restrictions that were restricted for purpose consisted of the following at June 30, 2024 and 2023:

	2024	2023
Restore damaged rivers and water	\$ 7,114,588	\$ 7,600,926
Protect healthy rivers	436,533	993,161
Endowment fund	3,150,554	2,877,649
Mobilize river and water movement	355,801	552,783
Other/time restricted	3,617,311	1,831,310
	<u>\$ 14,674,787</u>	<u>\$ 13,855,829</u>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses which satisfied the restricted purposes or time limitations specified by the donors during the years ending June 30, 2024 and 2023, respectively:

	2024	2023
Restore damaged rivers and water	\$ 6,270,751	\$ 5,134,978
Protect healthy rivers	1,373,868	1,354,231
Endowment fund	130,205	121,581
Mobilize river and water movement	407,982	351,628
Other/time restricted	480,077	180,609
	<u>\$ 8,662,883</u>	<u>\$ 7,143,027</u>

#### Note 7. Endowment Fund

Net assets with donor restrictions whose restrictions are perpetual in nature include capital campaign endowment funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The donor-restricted endowment funds are classified within net assets with donor restrictions and must be maintained in perpetuity.

**Interpretation of relevant law:** American Rivers has interpreted the Uniform Prudent Management of Institutional Funds Act of 2007 (UPMIFA), enacted by the District of Columbia, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, American Rivers classifies as net assets with donor restrictions: (a) the original value of gifts donated to the endowment funds held in perpetuity, (b) the original value of subsequent gifts to the endowment funds held in perpetuity, and (c) accumulations to the endowment funds held in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

## American Rivers, Inc.

### Notes to Consolidated Financial Statements

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#### Note 7. Endowment Fund (Continued)

In accordance with UPMIFA, American Rivers considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

American Rivers has a donor-restricted Capital Campaign Endowment with net assets of \$3,150,554 and \$2,877,649 as of June 30, 2024 and 2023, respectively. American Rivers also has a board-designated operating reserve, which is considered a quasi-endowment and which had a net asset balance of \$1,139,089 and \$979,310 as of June 30, 2024 and 2023, respectively.

**Return objectives and risk parameters:** American Rivers has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. As part of American Rivers' continuing diversification and risk management strategy, a portion of endowment funds are invested in cash, fixed income securities and equity securities. The investment portfolio is intended to produce returns higher than specified market indices while assuming a moderate level of risk.

**Strategies employed for achieving objectives:** To satisfy its long-term objectives, American Rivers relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). American Rivers targets a diversified asset allocation that places more emphasis on fixed income securities and equity securities to achieve its long-term return objectives.

**Spending policy and how investment objectives relate to spending policy:** The spending policy for the board-designated reserve fund allows for a maximum of 3% of the average balance of the fund for the prior three years to be used for general expenditures. The board determines the spending limit of these reserves on an annual basis. Principle withdrawals over the 3% limit are permitted for unusual or extraordinary expenses with prior board approval.

In addition, under the terms of the Capital Campaign Endowment, based on the Board of Director's investment policy, a maximum of 5% of the average balance of the donor-restricted endowment fund for the prior three years may be made available for general expenditures. The board determines the spending limit on an annual basis. Only the earnings on the fund are available since the principle must remain intact.

**Funds with deficiencies:** From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor originally contributed as an endowment fund to the American Rivers. There were no such deficiencies at June 30, 2024 and 2023.

## American Rivers, Inc.

### Notes to Consolidated Financial Statements

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#### Note 7. Endowment Fund (Continued)

The changes in endowment funds were as follows for the years ended June 30, 2024 and 2023:

	With Donor Restrictions			
	Without Donor Restrictions	Accumulated Earnings	Perpetual in Nature	Total
Balance at June 30, 2023	\$ 979,310	\$ 556,096	\$ 2,321,553	\$ 3,856,959
Investment return, net of fees	159,779	403,110	-	562,889
	1,139,089	959,206	2,321,553	4,419,848
Appropriations	-	(130,205)	-	(130,205)
Balance at June 30, 2024	<u>\$ 1,139,089</u>	<u>\$ 829,001</u>	<u>\$ 2,321,553</u>	<u>\$ 4,289,643</u>

	With Donor Restrictions			
	Without Donor Restrictions	Accumulated Earnings	Perpetual in Nature	Total
Balance at June 30, 2022	\$ 867,506	\$ 382,611	\$ 2,321,553	\$ 3,571,670
Investment return, net of fees	111,804	295,066	-	406,870
	979,310	677,677	2,321,553	3,978,540
Appropriations	-	(121,581)	-	(121,581)
Balance at June 30, 2023	<u>\$ 979,310</u>	<u>\$ 556,096</u>	<u>\$ 2,321,553</u>	<u>\$ 3,856,959</u>

#### Note 8. Retirement Plan

American Rivers sponsors a Section 403(b) tax-deferred annuity plan covering all employees. The plan participants are 100% vested upon entering the plan. Employees may participate in the plan immediately upon employment and become eligible for employer contributions after completing one full year of service. Under the terms of the plan, American Rivers makes quarterly contributions of 3% of each participant's quarterly compensation and may also contribute up to an additional 2% of compensation based on the level of an employee's voluntary contribution, if any. Contributions by American Rivers to the plan totaled \$286,475 and \$200,685 for the years ended June 30, 2024 and 2023, respectively.

#### Note 9. Leases

American Rivers occupies office space in Washington, D.C. under an operating lease originally expiring October 31, 2026. The lease includes periods of rent abatement and escalating rent payments. In addition to base rent, American Rivers is responsible for its proportionate share of the building's operating expenses. American Rivers recognizes the total rent commitment on a straight-line basis over the term of the lease. American Rivers also leases office space at other locations, as well as storage space and miscellaneous furnishings and equipment under various non-cancellable operating leases. Additionally, other office space for certain field offices is leased under month-to-month agreements. Total rent expense amounted to \$545,107 and \$577,937 for the years ended June 30, 2024 and 2023, respectively.

## American Rivers, Inc.

### Notes to Consolidated Financial Statements

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#### Note 9. Leases (Continued)

The various leases were determined to be operating leases, and the lease cost is recognized on a straight-line basis over the lease term resulting in a ROU asset and liability recorded in the consolidated statements of financial position as of June 30, 2024 and 2023. American Rivers calculated the present value of the lease over the term of the respective agreement using the risk-free rate, based on the remaining lease term. The interest rate utilized as of June 30, 2024 and 2023, was 2.87%. The weighted-average remaining lease term is 2.25 years and 3.25 years as of June 30, 2024 and 2023, respectively.

Future undiscounted cash flows for the remainder of the lease term and a reconciliation to the lease liability recognized on the consolidated statement of financial position as of June 30, 2024, are as follows:

Years ending June 30:	
2025	\$ 589,744
2026	592,048
2027	<u>214,032</u>
Future minimum lease payments	1,395,824
Less imputed interest*	<u>(11,072)</u>
Discounted lease liability	<u><u>\$ 1,384,752</u></u>

\* Imputed interest represents the difference between undiscounted cash flows and discounted cash flows.

#### Note 10. Commitments and Contingencies

**Federal awards:** American Rivers participates in several federal awards which are subject to financial and compliance audits by federal agencies or their representatives. Therefore, a contingent liability may exist for potential questioned costs that would result from such audits. However, management does not anticipate significant adjustments if such audits were to occur.

**Line of credit:** American Rivers has a line of credit with a bank in the amount of \$750,000 which is renewable annually and collateralized by all property, equipment, inventory and receivables of American Rivers. Interest accrues at a variable rate plus 2.05% per annum. The expiration date of the line of credit is February 28, 2026. There were no outstanding borrowings and no drawdowns on the line of credit as of and for the years ended June 30, 2024 and 2023, respectively.

## American Rivers, Inc.

### Notes to Consolidated Financial Statements

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#### Note 11. Liquidity and Availability

The following represents American Rivers' financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general use within one year due to contractual or donor-imposed restrictions:

	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 8,891,183	\$ 7,666,484
Investments	4,394,509	3,968,128
Accounts receivable	6,383,168	2,885,456
Grants and promises to give, net	5,245,858	4,870,770
Subtotal financial assets	<u>24,914,718</u>	<u>19,390,838</u>
Less financial assets not available for general expenditure within one year:		
Donor-restricted net assets, excluding time-restricted net assets due within one year of \$1,141,500 and \$125,000, respectively	(13,533,287)	(13,730,829)
Split-interest agreements	(171,690)	(180,933)
Board-designated—reserve fund	<u>(1,139,089)</u>	<u>(979,310)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 10,070,652</u>	<u>\$ 4,499,766</u>

The board-designated quasi-endowment reserve fund and the donor-restricted endowment fund may be made available for general expenditures under the provisions of their respective spending policies, which are disclosed in Note 7.

As part of American Rivers' liquidity management, it maintains its financial assets so that they are available to meet general expenditures, liabilities, and other obligations as they become due. Excess cash is invested in short-term vehicles. The organization also has a line of credit with a bank in the amount of \$750,000 to cover short-term cash needs.

#### Note 12. Conditional Grants and Contributions

American Rivers received conditional contributions totaling \$38,649,919 related to American Rivers' federal awards. These contributions are contingent upon American Rivers carrying out activities meeting grantor-imposed barriers stipulated by American Rivers' federal grants.

## American Rivers, Inc.

### Notes to Consolidated Financial Statements

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#### Note 12. Conditional Grants and Contributions (Continued)

The following provides a summary of the total grant commitments American Rivers has received along with the cumulative amount of funding provided from grant inception through June 30, 2024:

	Grant Amounts Awarded	Cumulative Amounts Recognized	Conditional Amounts to be Recognized
United States Department of Agriculture	\$ 2,607,142	\$ 1,044,067	\$ 1,563,075
United States Department of Commerce	21,635,785	3,604,553	18,031,232
United States Department of the Interior	8,154,497	3,547,388	4,607,109
Environmental Protection Agency	2,009,208	1,480,831	528,377
Federal Emergency Management Agency	168,750	119,815	48,935
Department of Energy	3,676,825	1,034,853	2,641,972
Department of Treasury	397,712	76,820	320,892
	<u>\$ 38,649,919</u>	<u>\$ 10,908,327</u>	<u>\$ 27,741,592</u>

#### Note 13. Subsequent Events

Subsequent to year-end, President Donald Trump signed several executive orders (EOs) that impact federal assistance programs. Federal agencies are required to review their programs to ensure compliance with the President's EOs to determine if the funding being provided falls under any of the EOs. American Rivers received Stop Work notifications from certain federal agencies and from organizations under which they are sub-awardees as a result of an EO titled *Ending Radical and Wasteful Government DEI Programs and Preferencing* signed by President Trump. The EO required the suspension of the following activities in any loans, loan guarantees, grants, cost sharing agreements, contracts, contract awards, or any other source of DOE funding:

- Diversity, equity, and inclusion (DEI) programs and activities involving or relating to DEI objectives and principles;
- Community Benefits Plans (CBP); and
- Justice40 requirements, conditions, or principles.

American Rivers recognized revenue from federal awards of \$6,674,182 for the year ended June 30, 2024, of which \$1,034,853 was for the awards for which stop work notifications have been received. Approximately \$5,313,000 remained in accounts receivable due from federal and pass-through agencies as of June 30, 2024, of which approximately \$527,843 was for the award(s) for which stop work notifications have been received. As of March 19, 2025, the initial stop work orders impacting the projects of American Rivers have been lifted and funding resumed. American Rivers has been able to collect the outstanding receivables subsequent to year-end. American Rivers continues to monitor and evaluate the current situation and any EOs signed by President Trump to determine their potential impact on American Rivers and its programs.

**Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With *Government Auditing Standards***

**Independent Auditor's Report**

Board of Directors  
American Rivers, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of American Rivers, Inc. (American Rivers), which comprise the consolidated statement of financial position as of June 30, 2024, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements), and have issued our report thereon dated May 20, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered American Rivers' internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of American Rivers' internal control. Accordingly, we do not express an opinion on the effectiveness of American Rivers' internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of American Rivers' financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether American Rivers' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing on internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of American Rivers' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering American Rivers' internal control and compliance. Accordingly, this report is not suitable for any other purpose.

*RSM US LLP*

Washington, D.C.  
May 20, 2025

**Report on Compliance for Each Major Federal Program; and  
Report on Internal Control Over Compliance Required by the Uniform Guidance**

**Independent Auditor's Report**

Board of Directors  
American Rivers, Inc.

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the American Rivers, Inc. (American Rivers) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on American Rivers' major federal programs for the year ended June 30, 2024. American Rivers' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, American Rivers complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of American Rivers and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of American Rivers' compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to American Rivers' federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on American Rivers' compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about American Rivers' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 American Rivers' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of American Rivers' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of American Rivers' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on American Rivers' response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. American Rivers' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on American Rivers' response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. American Rivers' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*RSM US LLP*

Washington, D.C.  
May 20, 2025

American Rivers, Inc.

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number (ALN)	Pass-Through Identifying Number	Total Federal Expenditures	Provided to Subrecipients
<b>U.S. Department of Agriculture Forest Service</b>				
<b>Direct Awards:</b>				
Partnership Agreements	10.699		\$ 54,570	\$ 25,959
Partnership Agreements	10.699		60,790	-
Partnership Agreements	10.699		4,337	-
<b>ALN 10.699 subtotal</b>			<b>119,697</b>	<b>25,959</b>
Natural Resources Conservation Service:				
Environmental Quality Incentives Program	10.912		96,961	-
Pass-through:				
<i>National Fish and Wildlife Foundation</i>				
National Fish and Wildlife Foundation	10.683	21-CA-11132422-237/0809.22.073741	412,385	-
Aquatic Organism Passage Barrier Removal and Meadow Restoration in the Pine Creek Watershed (CA)	10.U01	19-PA-11052000-044/0809.20.069389	211,704	-
Inflation Reduction Act- National Forest System	10.729	23-PA-11132420-327/5200.24.080900	191	-
<i>The Nature Conservancy</i>				
Regional Conservation Partnership Program	10.932	NR181320XXXXC017	10,021	-
<b>Total U.S. Department of Agriculture Forest Service</b>			<b>850,959</b>	<b>25,959</b>
<b>U.S. Department of Commerce</b>				
<b>Direct Awards:</b>				
<i>National Oceanic and Atmospheric Administration:</i>				
Habitat Conservation	11.463		181,488	76,197
Habitat Conservation	11.463		107,029	57,500
Habitat Conservation	11.463		878,608	660,341
Habitat Conservation	11.463		1,133,638	907,617
Pass-through:				
<i>National Oceanic and Atmospheric Administration:</i>				
<i>Washington Department of Fish and Wildlife:</i>				
Habitat Conservation	11.463	NA23NMF4630090	60,658	-
<b>ALN 11.463 subtotal</b>			<b>2,361,421</b>	<b>1,701,655</b>
<i>National Fish and Wildlife Foundation</i>				
Office for Coastal Management	11.473	91-NFWF	6,000	-
Office for Coastal Management	11.473	NA23NOS4730330/0318.23.076961	13,778	-
<b>ALN 11.473 subtotal</b>			<b>19,778</b>	<b>-</b>
<b>Total U.S. U.S. Department of Commerce</b>			<b>2,381,199</b>	<b>1,701,655</b>

(Continued)

American Rivers, Inc.

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2024

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number (ALN)	Pass-Through Identifying Number	Total Federal Expenditures	Provided to Subrecipients
<b>U.S. Department of the Interior</b>				
<b>Direct Awards:</b>				
<i>US Bureau of Reclamation</i>				
WaterSMART (Sustain and Manage America's Resources for Tomorrow)	15.507		\$ 67,648	-
Central Valley Improvement Act, Title XXXIV	15.512		3,331	-
Pass-through:				
<i>US Bureau of Reclamation</i>				
<i>Glenn Colusa Irrigation District:</i>				
Central Valley Improvement Act, Title XXXIV	15.512	R21AC10487	60,071	-
<b>ALN 15.512 subtotal</b>			<b>63,402</b>	<b>-</b>
<i>U.S. Fish and Wildlife Service</i>				
<b>Direct Awards:</b>				
Fish and Aquatic Conservation - Aquatic Invasive Species	15.608		328,910	-
Hurricane Sandy Disaster Relief Activities-FWS	15.677		160,940	-
National Fish Passage	15.685		15,145	-
National Fish Habitat Partnership	15.686		27,835	-
Coastal	15.630		11,978	-
<i>National Park Service</i>				
National Wild and Scenic Rivers System	15.962		48,903	-
Natural Resource Stewardship	15.944		1,032,343	-
National Park Service Conservation, Protection, Outreach, and Education	15.954		19,844	-
Pass-through:				
<i>National Fish and Wildlife Foundation:</i>				
NFWF-USFWS Conservation Partnership	15.663	F20AP00233	2,481	-
NFWF-USFWS Conservation Partnership	15.663	F20AP00233/0809.22.073636	160,615	2,434
NFWF-USFWS Conservation Partnership	15.663	F20AP00233/0809.22.073741	1,866	-
NFWF-USFWS Conservation Partnership	15.663	F21AP01079-00/0809.23.077823	31,665	-
NFWF-USFWS Conservation Partnership	15.663	F21AP01079-00/0407.22.078588	25,000	-
<b>ALN 15.663 subtotal</b>			<b>221,627</b>	<b>2,434</b>
Adaptive Science	15.670	F21AC01514-00/0403.21.072596	113,225	4,430
<b>Total U.S. Department of the Interior</b>			<b>2,111,800</b>	<b>6,864</b>
<b>U.S. Department of the Treasury</b>				
Pass-through:				
<i>Colorado Water Conservation Board:</i>				
Covid-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP0126	76,820	52,299
<b>Total U.S. Department of the Treasury</b>			<b>76,820</b>	<b>52,299</b>
<b>U.S. Environmental Protection Agency</b>				
<b>Direct Awards:</b>				
<i>Geographic Programs - San Francisco Bay</i>				
Water Quality Improvement Fund	66.126		30,907	-
Pass-through:				
<i>National Fish and Wildlife Foundation:</i>				
Geographic Programs - Chesapeake Bay Program	66.466	96358101/0603.21.073218	40,767	-
<i>Pennsylvania Fish and Boat Commission:</i>				
Geographic Programs - Chesapeake Bay Program	66.466	96374001/PFBC 2022-1214.02 4100094533	42,730	-
<i>Tioga County Soil and Water Conservation District</i>				
Geographic Programs - Chesapeake Bay Program	66.466	73222	4,000	-
<b>ALN 66.466 subtotal</b>			<b>87,497</b>	<b>-</b>
<i>Earth Team:</i>				
Environmental Education Grants Program	66.951	98T46401-001	3,441	-
<b>Total U.S. Environmental Protection Agency</b>			<b>121,845</b>	<b>-</b>
<b>U.S. Department of Energy</b>				
<b>Direct Awards:</b>				
Renewable Energy Research and Development	81.087		1,011,744	890,963
<b>Total U.S. Department of Energy</b>			<b>1,011,744</b>	<b>890,963</b>
<b>U.S. Department of Homeland Security</b>				
<b>Direct Awards:</b>				
<i>Federal Emergency Management Agency</i>				
Cooperating Technical Partners	97.045		119,815	27,073
<b>Total U.S. Department of Homeland Security</b>			<b>119,815</b>	<b>27,073</b>
<b>Total expenditures of federal awards</b>			<b>\$ 6,674,182</b>	<b>\$ 2,704,813</b>

See notes to schedule of expenditures of federal awards.

**American Rivers, Inc.**

**Notes to Schedule of Expenditures of Federal Awards**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of American Rivers, Inc. (American Rivers) under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2, U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of American Rivers, it is not intended to, and does not, present the financial position, changes in net assets or cash flows of American Rivers.

**Note 2. Summary of Significant Accounting Policies for Federal Award Expenditures**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**Note 3. Indirect Costs**

American Rivers has elected not to use the 10% *de minimis* indirect cost rate, which is allowed in accordance with the Uniform Guidance.

**American Rivers, Inc.**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024**

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**Section I—Summary of Independent Auditor’s Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u>          </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	<u>          </u> Yes	<u>  X  </u> None Reported
Noncompliance material to financial statements noted?	<u>          </u> Yes	<u>  X  </u> No

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?	<u>          </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	<u>  X  </u> Yes	<u>          </u> None Reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)

  X   Yes            No

**Identification of Major Federal Programs:**

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
81.087	Renewable Energy Research and Development
15.944	Natural Resource Stewardship
15.608	Fish and Aquatic Conservation - Aquatic Invasive Species

Dollar threshold used to distinguish between Type A and Type B programs

\$750,000

Auditee qualified as low-risk auditee?

  X   Yes            No

(Continued)

**American Rivers, Inc.**

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2024**

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**Section II—Financial Statement Findings**

No matters to report.

(Continued)

American Rivers, Inc.

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2024**

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**Section III—Federal Award Findings and Questioned Costs**

**Finding No. 2024-001 - Late Issuance of 2024 Single Audit Reporting Package**

**Federal programs:** All Assistance Listing Numbers and federal agencies (and pass-through entities) included on the schedule of federal awards for the year ended June 30, 2024.

**Type of Finding:** Other Matter Noncompliance

**Criteria:** OMB's Uniform Guidance, Title 2, Part 200, Subpart F Audit Requirements, paragraph .512 requires the single audit to be completed and the data collection form and reporting package to be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period.

**Condition:** The submission of the 2024 single audit reporting package should have been submitted by March 31, 2025.

**Cause:** The audit was not completed until May 2025 due to delays in audit fieldwork caused by employee turnover and staffing challenges and by presidential executive orders issued which were impacting federal funding received.

**Effect:** Potential reduction or suspension of funding provided by federal agencies.

**Questioned costs:** None

**Repeat finding:** No

**Recommendation:** We recommend American Rivers continue its efforts to ensure the reporting package is filed timely with the Federal Clearinghouse.

**Views of responsible officials:** American Rivers agrees with the finding. American Rivers will submit future reporting packages timely. See Corrective Action Plan.



**CORRECTIVE ACTION PLAN**  
**June 30, 2024**

**Finding Number:** 2024-001  
**Planned Corrective Action:** American Rivers’ onboarding of new staff has been completed and the potential impact of executive orders has been fully evaluated. American Rivers’ staff will work closely with the external auditors to ensure proper scheduling of the June 30, 2025 audit to ensure that the auditor can allocate adequate resources and complete the financial statement audit in November 2025, in advance of the March 31 deadline.  
**Anticipated Completion Date:** June 30, 2025  
**Responsible Contact Person:** Vickie Barrow-Klein, Chief Financial Officer

**American Rivers, Inc.**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2024**

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The prior year single audit disclosed no findings in the Schedule of Findings and Questioned Costs and no uncorrected or unresolved findings exist from the prior audit's Summary of Prior Audit Findings.