

RIVER NETWORK

Financial Statements and Independent Auditor's Report
September 30, 2025 and 2024

RIVER NETWORK

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To the Board of Directors of
River Network
Boulder, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of River Network (a nonprofit organization), which comprise the statements of financial position as of September 30, 2025 and 2024 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of River Network as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. 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 River Network 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.

Management's Responsibility 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 River Network's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 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, including omissions, 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 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 River Network'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 River Network'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.

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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*(CFR) 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 audit 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 July 16, 2026, on our consideration of River Network's 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 River Network's 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 River Network's internal control over financial reporting and compliance.



Artesian CPA, LLC

Denver, Colorado

July 16, 2026

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RIVER NETWORK
STATEMENTS OF FINANCIAL POSITION
As of September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets:		
Cash and equivalents-unrestricted	\$ 446,165	\$ 392,058
Cash and equivalents-restricted	1,463,466	1,330,901
Accounts receivable	758,488	386,411
Grants and contributions receivable, current	223,000	631,067
Prepaid expense	53,300	-
Total Current Assets	<u>2,944,419</u>	<u>2,740,437</u>
Property and Equipment:		
Property and equipment, net	<u>5,900</u>	<u>5,900</u>
Total Property and Equipment	<u>5,900</u>	<u>5,900</u>
Other Assets:		
Grants and contributions receivable, net of current	60,000	-
Endowment Fund	<u>503,927</u>	<u>500,122</u>
Total Other Assets	<u>563,927</u>	<u>500,122</u>
TOTAL ASSETS	<u><u>\$ 3,514,246</u></u>	<u><u>\$ 3,246,459</u></u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 720,770	\$ 112,409
Accrued payroll	19,533	42,588
Accrued vacation	<u>53,692</u>	<u>109,102</u>
Total Liabilities	<u>793,995</u>	<u>264,099</u>
Net Assets:		
Without donor restrictions	529,858	520,270
With donor restrictions	<u>2,190,393</u>	<u>2,462,090</u>
Total Net Assets	<u>2,720,251</u>	<u>2,982,360</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,514,246</u></u>	<u><u>\$ 3,246,459</u></u>

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

RIVER NETWORK
STATEMENTS OF ACTIVITIES
For the years ended September 30, 2025 and 2024

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating Activities:				
Revenues and Support:				
Government grants and contributions	\$ 4,134,514	\$ -	\$ 4,134,514	\$ 1,048,439
Foundation grants and contributions	240,437	1,185,000	1,425,437	1,491,000
Individual and small business contributions	276,014	-	276,014	571,205
Corporate grants and contributions	40,097	63,000	103,097	255,040
River Rally registration fees and sales, net of scholarships of \$0 and \$40,515 as of September 30, 2025 and 2024, respectively	839	-	839	160,967
Fees for services	143,805	-	143,805	53,771
Membership dues	19,180	-	19,180	32,150
Other income	225	-	225	-
Net assets released from restrictions	1,519,697	(1,519,697)	-	-
Total Revenues and Support	6,374,808	(271,697)	6,103,111	3,612,572
Expenses:				
Program services	5,482,984	-	5,482,984	3,118,637
Supporting services:				
Management and general	667,954	-	667,954	691,923
Fundraising	242,229	-	242,229	340,202
Total Expenses	6,393,167	-	6,393,167	4,150,762
Change in net assets from operating activities	(18,359)	(271,697)	(290,056)	(538,190)
Non-Operating Activities:				
Interest income	27,947	-	27,947	90,457
Change in net assets	9,588	(271,697)	(262,109)	(447,733)
Net assets at beginning of year	520,270	2,462,090	2,982,360	3,430,093
Net assets at end of year	\$ 529,858	\$ 2,190,393	\$ 2,720,251	\$ 2,982,360

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

RIVER NETWORK
STATEMENTS OF FUNCTIONAL EXPENSES
For the years ended September 30, 2025 and 2024

	2025			2024	
	Program Services	Supporting Services		Total	Total
	Program Services	Management and General	Fundraising	Expenses	Expenses
Grant expenses	\$ 3,326,962	\$ -	\$ -	\$ 3,326,962	\$ 459,089
Salaries and wages	1,454,181	374,439	195,305	2,023,925	2,088,634
Other professional fees	390,118	35,831	6,240	432,189	622,019
Payroll taxes	107,633	28,740	13,735	150,108	151,103
Accounting fees	-	121,115	-	121,115	116,404
Pension plan contributions	52,284	12,528	6,955	71,767	76,101
Employee benefits	30,746	27,636	1,742	60,124	71,438
Travel	48,210	2,706	2,705	53,621	232,255
Computer and software services	15,056	29,642	6,338	51,036	52,358
Meetings and events	16,488	-	650	17,138	163,020
Occupancy	10,071	3,984	464	14,519	11,758
Telephone	860	13,457	-	14,317	16,009
Program materials	6,397	2,396	518	9,311	19,331
Advertising and promotion	9,137	87	-	9,224	5,797
Insurance	-	9,111	-	9,111	1,788
Staff training	3,715	2,123	150	5,988	11,081
Dues and subscriptions	5,375	4	-	5,379	12,987
Depreciation expense	-	-	-	-	12,313
Taxes and licenses	-	537	4,470	5,007	4,981
Bank charges	2,138	1,651	655	4,444	7,146
Office expenses	1,113	647	2,302	4,062	14,579
Bad debt	2,500	-	-	2,500	560
Miscellaneous expense	-	1,320	-	1,320	-
Equipment	-	-	-	-	11
	<u>\$ 5,482,984</u>	<u>\$ 667,954</u>	<u>\$ 242,229</u>	<u>\$6,393,167</u>	<u>\$4,150,762</u>

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

RIVER NETWORK
STATEMENTS OF CASH FLOWS
For the years ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (262,109)	\$ (447,733)
Adjustments to reconcile changes in net assets to net cash provided by/(used in) operating activities:		
Depreciation	-	12,313
Bad debt expense	2,500	560
Change in operating assets and liabilities:		
Change in grants and contributions receivable	348,067	(136,711)
Change in accounts receivable	(374,577)	(188,282)
Change in prepaid expense	(53,300)	-
Change in accounts payable	608,361	61,768
Change in accrued payroll	(23,055)	15,813
Change in accrued vacation	(55,410)	54,401
Net cash provided by/(used in) operating activities	<u>190,477</u>	<u>(627,871)</u>
Net increase/(decrease) in cash and cash equivalents	190,477	(627,871)
Cash and cash equivalents at beginning of year	<u>2,223,081</u>	<u>2,850,952</u>
Cash and cash equivalents at end of year	<u><u>\$ 2,413,558</u></u>	<u><u>\$ 2,223,081</u></u>
Cash reported on Statement of Financial Position:		
Cash and equivalents-unrestricted	\$ 446,165	\$ 392,058
Cash and equivalents-restricted	1,463,466	1,330,901
River Network Endowment Fund	<u>503,927</u>	<u>500,122</u>
Total Cash and Cash Equivalents	<u><u>\$ 2,413,558</u></u>	<u><u>\$ 2,223,081</u></u>

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

RIVER NETWORK

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2025 and 2024 and for the years then ended

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

River Network (the “Organization”) is an Oregon not-for-profit organization founded in March 1988. The Organization envisions a future of clean and ample water for people and nature, where local caretakers are well-equipped, effective and courageous champions for our rivers. The Organization’s mission is to empower and unite people and communities to protect and restore rivers and other waters that sustain all life.

The Organization maintains an office in Boulder, Colorado, with staff in field locations including North Carolina, Maryland, Michigan, Pennsylvania, Utah, Florida and Delaware. River Network has invested in the systems necessary to support such a decentralized team, including online workspaces, virtual conferencing and tight alignment between its strategic plan, annual work plan, and personal objectives for each staff person.

Over the past 36 years, the Organization has accomplished its mission by investing in local efforts and helping advance impact at more significant scales (system, state, regional, national). The Organization has worked with groups and individuals in every state and region of the U.S. and beyond. It provides one-on-one mentoring and consulting, virtual training, and conferences to strengthen local efforts; convenes groups for greater impact; and increases the transfer of practical water management solutions. Over 2,500 community groups, nonprofit organizations, governmental entities and tribes are part of its community.

Fiscal Year 2025’s efforts were focused on three key issues identified within its current strategic plan (2024-2026) in addition to leadership development and data to action:

Healthy, Resilient Rivers: Healthy rivers sustain people and natural systems and are vital assets for the communities through which they flow. Yet many are threatened by pollution, habitat destruction, depletion, and climate change, especially in low-income and communities of color. Successfully tackling these threats requires an integrated, equitable approach at multiple scales. This includes addressing river corridors, floodplains, and upstream and downstream connections. River Network advances these approaches by strengthening local organizations’ abilities to develop diverse coalitions, lead advocacy efforts, promote best practices, and leverage funding to achieve resilient and accessible rivers.

Safe, Affordable Drinking Water: Drinking water is fundamental to our health and well-being. However, across the country, access to clean, safe, and affordable drinking water – two thirds of which comes from streams and rivers – is not guaranteed. By equipping groups nationwide with the knowledge and capacity needed to advocate for equitable access to clean drinking water and influence decision makers at the federal, state, and local levels, we can advance the human right to water and ensure sustainable drinking water access for all.

Climate Resilient Communities: Communities across the US face increasing risks of flooding, drought, and other weather-related natural disasters whose impacts disproportionately affect low-income and communities of color. Local, grassroots, community groups are key to contributing their expertise, leveraging power and influence, and serving as effective local and regional agents for change, ultimately

RIVER NETWORK

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2025 and 2024 and for the years then ended

building more equitable, thriving, and climate-resilient communities with and by the people who are most impacted.

The priorities noted above provide a focus for River Network's production and delivery of tools, training, mentoring, and financial assistance to help leaders, organizations, and coalitions expand their impact as well as sharpen what River Network shares via their website, monthly e-newsletter River Voices, the River Rally conference, webinars, workshops, and peer exchanges, and one-on-one mentoring, consulting and engagement.

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of 13 weeks or less except those designated for long-term purposes, to be cash equivalents. The Organization's cash and cash equivalents in bank deposit accounts, at times, may exceed federally insured limits. As of September 30, 2025 and 2024, the Organization's cash balances exceeded FDIC insured limits by \$1,661,636 and \$1,535,922, respectively.

RIVER NETWORK

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2025 and 2024 and for the years then ended

As of September 30, 2025 and 2024, the Organization had restricted cash totaling \$1,463,466 and \$1,330,901, respectively. The funds are restricted as part of the River Programs. Additionally, As of September 30, 2025 and 2024 \$503,927 and \$500,122, respectively, of cash was restricted for the endowment fund (see Note 9) and therefore included in non-current assets.

Accounts and Grants and Contributions Receivable

Accounts and grants and contributions receivable, represent amounts due from customers and donors, are stated at amounts estimated by management to be the net realizable value. The Organization periodically evaluates the collectability of accounts and grants and contributions receivable and establishes a reserve for uncollectible accounts based on an evaluation of the specific unpaid account balances. Accounts receivable totaled \$758,488 and \$386,411 and no allowances against such as of September 30, 2025 and 2024, respectively. Grants and contributions receivable totaled \$283,000 and \$631,067 as of September 30, 2025 and 2024, respectively. Bad debt expense totaled \$2,500 and \$560 for the years ended September 30, 2025 and 2024, respectively.

Property and Equipment

Acquisitions of assets in excess of \$5,000 are capitalized at cost. Property and equipment are depreciated using the straight-line method over the assets estimated useful lives which range from 5-7 years. The Organization assesses its property and equipment for indications of impairment annually and adjusts the carrying balances if impairments are determined. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restrictions upon acquisition of the assets and the assets are placed in service.

Accrued Vacation

The Organization provides vacation leave to its full-time employees. These are earned based on years of service. Employees can only accrue a maximum number of hours based on their years of service. The maximum amount is 200 hours. If an employee reaches their maximum, they cannot accrue more time until paid time off is used. Upon separation from service, employees are paid for unused vacation leave. Accrued compensated absences as of September 30, 2025 and 2024 were \$53,692 and \$109,102, respectively.

Grant and Contract Revenue

For all grants and contracts which are considered to be exchange transactions, revenue is recognized as allowable reimbursable expenses are incurred. Cash received in excess of allowable expenses is recorded as deferred revenue, and allowable expenses incurred in excess of cash received are recorded as receivables.

Contributions

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor's conditions. A contribution or promises to give contains a donor or grantor condition when both of the following are present: A) an explicit indication of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized; B) An implicit right of return of assets transferred or a right of release of a donor or

RIVER NETWORK

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2025 and 2024 and for the years then ended

grantor's obligation to transfer assets promised, if the condition is not met. Conditional contribution are recognized when barriers to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending up on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized

Contributed Services and Other In-Kind Contributions

Contributed services are recorded if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. A number of volunteers have contributed significant amounts of their time in the Organization's program services but are not recognized as contributions in the financial statements because they do not meet the aforementioned criteria. For the years ended September 30, 2025 and 2024 there were no in-kind contributions.

Measure of Operation

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, contributions, leasing and other activities considered to be of a more unusual or nonrecurring nature.

Leases

On October 1, 2022, the Organization adopted ASC 842, *Leases*, as amended, which supersedes the lease accounting guidance under Topic 840, and generally requires lessees to recognize operating and finance lease liabilities and corresponding right-of-use (ROU) assets on the statements of financial position and to provide enhanced disclosures surrounding the amount, timing and uncertainty of cash flows arising from lease arrangements. The Organization elected transitional practical expedients for existing leases which eliminated the requirements to reassess existing lease classification, initial direct costs, and whether contracts contain leases. Also, the Organization elected to present the payments associated with short-term leases as an expense in the statement of activities. Short-term leases are leases with a lease term of 12 months or less.

Functional Allocation of Expenses

The financial statements report certain expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The shared expenses allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort. Other shared expenses are allocated on a percentage of staff

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As of September 30, 2025 and 2024 and for the years then ended

FTEs (full-time equivalents) across the functional areas. All other expenses are allocated based on the specific identification method.

Reclassification

Certain comparative figures have been reclassified to conform to the current year presentation.

Income Tax

No provision has been made for income taxes, since the Organization is exempt from Federal income tax pursuant to Internal Revenue Code Section 501(c)(3). There was no unrelated business taxable income during the year. The Organization has not recognized any cumulative adjustment relating to the adoption of FASB ASC Income Tax Topic, nor are there any unrecognized tax benefits to be disclosed as of September 30, 2025 and 2024. Uncertainty in income taxes for a not-for-profit organization would include the status of its exemption from taxes, status of filings in local jurisdictions, and unrelated business income, if any. The Organization's information return filings for the years 2023 to 2025 remain subject to examination by the Internal Revenue Service.

NOTE 2: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board ("FASB") guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active).

Level 3 – Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

The carrying amount reported in the statements of financial position approximate their fair value.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Based upon the Organization's intent and ability to hold its certificates of deposit to maturity (which maturities range up to twelve months at purchase), such securities have been classified as held-to-

RIVER NETWORK

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2025 and 2024 and for the years then ended

maturity and are carried at amortized cost, which approximates market value. Certificates of deposit held as of September 30, 2025 have maturities in 2026 for \$1,100,000, and were classified as cash equivalents.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statement of financial position.

Investment income recorded in the statements of activities is as follows for the years ended September 30, 2025 and 2024:

	2025	2024
Interest income	\$ 27,947	\$ 90,457
Total	\$ 27,947	\$ 90,457

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment as of September 30, 2025 and 2024 are summarized as follows:

	2025	2024
Land	\$ 5,900	\$ 5,900
Website	35,351	35,351
Software	97,790	97,790
	139,041	139,041
Accumulated depreciation	(133,141)	(133,141)
Net Property and Equipment	\$ 5,900	\$ 5,900

Depreciation expense for both the years ended September 30, 2025 and 2024 totaled \$0 and \$12,313, respectively.

NOTE 4: DONOR RESTRICTED NET ASSETS

The following schedule summarizes the balance related to donor restricted net assets:

	2025	2024
Endowment Fund	\$ 503,927	\$ 500,122
River Programs	1,686,466	1,961,968
	\$2,190,393	\$ 2,462,090

See accompanying Independent Auditor's Report

RIVER NETWORK

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2025 and 2024 and for the years then ended

NOTE 5: LEASE AGREEMENTS

On December 6, 2020, the Organization entered into a 3-month lease with an opportunity for renewal with an unrelated party for office space in Boulder, Colorado, with monthly rent payments of \$1,600. This lease was modified in May of 2023, as the Organization downsized from an office space to two dedicated desks in a shared co-working space. The lease is month to month at a cost of \$632 monthly.

Total lease expense for the years ended September 30, 2025 and 2024 were \$14,519 and \$11,758, respectively.

NOTE 6: EMPLOYEE RETIREMENT PLAN

The Organization has a salary reduction contribution plan pursuant to Section 403(b) of the Internal Revenue Code covering substantially all employees. Under the plan, employees contribute a specified percentage of salary, or a fixed dollar amount, to the plan. The Organization may agree to make a discretionary and “nonelective” contribution to their employees’ 403(b) plans. The Organization contributed \$71,767 and \$76,101 to the retirement plan for the years ended September 30, 2025 and 2024, respectively. All contributions are immediately vested to the employee.

NOTE 7: COMMITMENTS AND CONTINGENCIES

The Organization has received grants from various sources for specific purposes that are subject to review and audit by grantor agencies. Such audits may result in grantor agencies requiring a reimbursement from the Organization for expenditures disallowed by the grant terms.

NOTE 8: CONCENTRATIONS

The Organization has several sources of revenue, of which, the following were over 10% of total revenues for the year ended September 30, 2025, representing a concentration risk:

USDA Forest Service: During the year ended September 30, 2025, USDA Forest Service revenue amounted to \$3,279,875 or 54% of total revenues. As of September 30, 2025, there were \$677,656 receivables from this donor, representing a concentration of credit risk of the receivables, where this receivable represents 65% of receivables.

Mott Foundation: As of September 30, 2025, there were \$200,000 receivables from this donor, representing a concentration of credit risk of the receivables, where this receivable represents 19% of receivables.

Walton Family Foundation: During the year ended September 30, 2024, Walton Family Foundation revenue amounted to \$621,000 or 17% of total revenues. As of September 30, 2024, there were \$316,400 receivables from this donor, representing a concentration of credit risk of the receivables, where this receivable represents 31% of receivables.

Marion Rockefeller Weber: During the year ended September 30, 2024, Marion Rockefeller Weber revenue amounted to \$400,000 or 11% of total revenues.

RIVER NETWORK

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2025 and 2024 and for the years then ended

Kresge Foundation: As of September 30, 2024, there were \$145,000 receivables from this donor, representing a concentration of credit risk of the receivables, where this receivable represents 14% of receivables.

CO Water Conservation Board: As of September 30, 2024, there were \$97,353 receivables from this donor, representing a concentration of credit risk of the receivables, where this receivable represents 10% of receivables.

Suzi Berl: As of September 30, 2024, there were \$80,000 receivables from this donor, representing a concentration of credit risk of the receivables, where this receivable represents 8% of receivables.

NOTE 9: ENDOWMENT

General

The Organization's Endowment Fund was established by action of the Board of Directors (the "Board") to be maintained in perpetuity. The Endowment Fund consists of donations with donor-imposed permanent restrictions. The earnings on endowment funds may be established for either specific purposes or general operating use subject to any donor instructions. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the net assets with donor restrictions and (b) the original value of subsequent gifts to be held in perpetuity. The investment amount reflected in net assets with donor restrictions is adjusted for the annual appreciation or depreciation and distribution of the funds held by Schwab.

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

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (2) General economic conditions
- (3) The possible effect of inflation and deflation
- (4) The expected total return from income and the appreciation of investments
- (5) Other resources of the Organization
- (6) The investment policies of the Organization

RIVER NETWORK

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2025 and 2024 and for the years then ended

Return Objective and Risk Parameters

The Organization follows the investment and spending policies adopted by the Board of Directors 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 endowment assets. Investments include those assets of donor-restricted funds that the Foundation must hold in perpetuity.

	<u>2025</u>	<u>2024</u>
Endowment net assets, beginning balance	\$ 500,122	\$ 500,115
Contributions	-	-
Distributions	-	-
Fees	-	-
Total gains and losses	3,805	7
Endowment net assets, ending balance	<u>\$ 503,927</u>	<u>\$ 500,122</u>

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, the Organization relies on the adopted investment policy and strategy which strive to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The principal balance of the Endowment Fund may not be used. The Endowment Funds shall be invested with the objective of preserving the long-term real purchasing power of the Fund's assets while realizing appropriate investment income. Investment income can be used by the Organization for operating needs. Endowment Fund assets may be invested more aggressively than other fund types to maximize investment income, but also within alignment with River Network's risk tolerance. River Network's current risk tolerance is low to moderate: The asset allocation of the Endowment Fund shall reflect a proper balance of such Endowment Fund's investment objective, tolerance standard and need for liquidity. The primary objectives for investing Endowment Fund are safety and yield.

NOTE 10: REVENUE FROM CONTRACTS WITH CUSTOMERS

The Organization's revenue from contracts with customers is recognized within the following category for the years ended September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
River Rally registration fees and sales	\$ 839	\$ 160,967
Fees for services	143,805	53,771
Program Income	<u>\$ 144,644</u>	<u>\$ 214,738</u>

River Rally registration fees and sales: River Rally is an event that the Organization hosts. The Organization recognizes these fees and sales revenue at the date of the event conclusion.

Fees for services: The Organization recognizes service fees for providing strategic planning and organizational development support to customers as the service is provided.

See accompanying Independent Auditor's Report

RIVER NETWORK

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2025 and 2024 and for the years then ended

Receivables and contract assets from contracts with customers were as follows:

	Accounts Receivable
October 1, 2023	\$ 196,571
September 30, 2024	\$ 386,411
September 30, 2025	\$ 758,488

NOTE 11: LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following where financial assets consist of the Organization's cash and receivables:

Financial assets at year-end	\$ 2,944,419
Less: Funds unavailable for general expenditures due to contractual or donor - imposed restrictions (time or purpose):	
River Network Endowment Program	(503,927)
Restricted by donor with time or purpose restriction	<u>(1,686,466)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,257,953</u></u>

The Organization's liquidity management plan includes maintaining at least 180 days of budgeted general operating expenses in unrestricted cash. The Organization also has a bank line of credit in place to fund an additional ninety days of general expenditures.

NOTE 12: SUBSEQUENT EVENTS

Management's Evaluation

Management of the Organization has evaluated events and transactions that occurred after the statement of financial position date through July 16, 2026, the date the financial statements were available to be issued, and has determined that no subsequent events occurred that require recognition or disclosure in these financial statements.



To the Board of Directors
River Network
Boulder, Colorado

**Independent Auditor's 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***

We have audited, in accordance with the 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, the financial statements of River Network (a nonprofit organization), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 16, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered River Network's internal control over financial reporting (internal control) as a basis for designing 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 River Network's internal control. Accordingly, we do not express an opinion on the effectiveness of River Network's 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 the entity's 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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether River Network's 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 of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Artesian CPA, LLC". The signature is written in a cursive, slightly stylized font.

Artesian CPA, LLC

Denver, Colorado

July 16, 2026

Artesian CPA, LLC

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To the Board of Directors
River Network
Boulder, Colorado

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited River Network's 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 each of River Network's major federal programs for the year ended September 30, 2025. River Network's 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, River Network complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 River Network 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 River Network's 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 River Network's federal programs.

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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 River Network's 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 generally accepted auditing standards, *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 River Network's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 River Network's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of River Network's 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 River Network's 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.

Report on Internal Control over Compliance

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.

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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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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 purposes.



Artesian CPA, LLC

Denver, Colorado

July 16, 2026

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RIVER NETWORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor/Program	Pass-Through Grantor	Pass-Through Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of the Interior					
Environmental Justice for Thriving Communities	Institute for Sustainable Communities		66.615	\$ 116,091	\$ -
National Park Service Conservation, Protection, Outreach, and Education			15.954	<u>303,228</u>	<u>130,943</u>
Total U.S. Department of the Interior				<u>419,319</u>	<u>130,943</u>
U.S. Department of Agriculture					
Inflation Reduction Act Urban and Community Forestry Program			10.727	3,279,875	2,873,619
Collaboration on River Management and Water Community Outreach and Engagement			10.699	<u>123,434</u>	<u>91,693</u>
Total U.S. Department of Agriculture				<u>3,403,309</u>	<u>2,965,312</u>
Total Federal Financial Assistance				<u>\$ 3,822,628</u>	<u>\$ 3,096,256</u>

RIVER NETWORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of River Network (the “Organization”), under programs of the federal government for the year ended September 30, 2025 in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (the “Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Basis of Accounting

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 allowed are limited as to reimbursement.

Indirect Cost Rate

The Organization has not elected to use the 10 or 15-percent de minimis indirect cost rate allowed under the Uniform Guidance.

2. SUBRECIPIENTS

The Organization has passed funds of its grants through to subrecipient organizations.

**RIVER NETWORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Section I - Summary of Auditor's Results

- 1) The auditor's report expresses an unmodified opinion on the financial statements of the Organization.
- 2) There were no material weaknesses or significant deficiencies relating to the audit of the financial statements that was reported during our issuance of the audited financial statements.
- 3) No instances of noncompliance material to the financial statements of the Organization, which would be required to be reported in accordance with *Government Auditing Standards*, were identified during the audit.
- 4) No material weaknesses or significant deficiencies in internal control over major federal award programs were reported.
- 5) The auditor's report issued on compliance applicable to the *Uniform Guidance* expresses an unmodified opinion.
- 6) No audit findings were noted that are required to be reported in accordance with 2 CFR section 200.516(a).
- 7) The program tested as major program was 10.727 Inflation Reduction Act Urban and Community Forestry Program.
- 8) The threshold used for distinguishing between Type A and Type B programs was \$1,000,000.
- 9) The auditee does not qualify as a low-risk auditee.

**RIVER NETWORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Summary Schedule of Prior Audit Findings

Finding: 2024-001: Procurement, Suspension and Debarment

Criteria: The Organization was not aware that contractors and subrecipients needed to be checked against the debarment list.

Status: Implemented