

**RIVERLINK, INC.**

INDEPENDENT AUDITORS' REPORT  
AND FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023



CORLISS &  
SOLOMON  
PLLC

CERTIFIED PUBLIC ACCOUNTANTS

**RiverLink, Inc.**  
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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
RiverLink, Inc.  
Asheville, North Carolina

### **Opinion**

We have audited the accompanying financial statements of RiverLink, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related disclosures to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RiverLink, Inc., as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RiverLink, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RiverLink, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' 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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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, 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 RiverLink, Inc.'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 RiverLink, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Report on Summarized Comparative Information**

We have previously audited RiverLink, Inc.'s 2022 financial statements, and our report dated August 17, 2023, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Carliss & Solomon, PLLC*

Asheville, North Carolina  
September 18, 2024

**RiverLink, Inc.**  
**Statement of Financial Position**  
As of December 31, 2023

(With summarized comparative totals as of December 31, 2022)

	<b>2023</b>	<b>2022</b>
<b><u>Assets</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	\$ 1,114,263	\$ 1,123,241
Contributions and Grants Receivable	40,998	22,555
Note Receivable, Current Portion	9,770	6,311
Other Assets	13,132	14,372
Total Current Assets	1,178,163	1,166,479
<b><u>Long-Term Assets</u></b>		
Note Receivable, Net of Current Portion	167,748	180,072
Investments - Brokerage Firms	2,453,178	2,559,529
Endowments - Community Foundation	1,149,317	1,037,964
Property and Equipment, Net	302,502	73,261
Right Of Use Operating Lease Asset	79,167	121,302
Land	3,058,530	2,520,137
Total Long-Term Assets	7,210,442	6,492,265
<b>Total Assets</b>	<b>\$ 8,388,605</b>	<b>\$ 7,658,744</b>
<b><u>Liabilities and Net Assets</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	\$ 70,848	\$ 17,435
Payroll Liabilities	11,095	10,203
Operating Lease Liability, Current Portion	50,842	46,473
Total Current Liabilities	132,785	74,111
<b><u>Long-Term Liabilities</u></b>		
Operating Lease Liability, Net of Current Portion	28,325	74,829
Total Long-Term Liabilities	28,325	74,829
Total Liabilities	161,110	148,940
<b><u>Net Assets</u></b>		
Without Donor Restrictions	7,409,837	6,681,761
With Donor Restrictions	817,658	828,043
Total Net Assets	8,227,495	7,509,804
<b>Total Liabilities and Net Assets</b>	<b>\$ 8,388,605</b>	<b>\$ 7,658,744</b>

*The accompanying disclosures are an integral part of these financial statements.*

# RiverLink, Inc.

## Statement of Activities

Year Ended December 31, 2023

(With summarized comparative totals from the prior year)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total 2023</b>	<b>Total 2022</b>
<b>Support and Revenue</b>				
Contributions	\$ 319,671	\$ 381,731	\$ 701,402	\$ 780,734
Grants	211,084	561,199	772,283	267,036
Program Income	34,800	-	34,800	52,995
Event Income	7,429	-	7,429	14,221
Miscellaneous Income	765	-	765	135
In-Kind Contributions	2,655	-	2,655	1,021
Net Assets Released from Restrictions	957,687	(957,687)	-	-
<b>Total Support and Revenue</b>	<b>1,534,091</b>	<b>(14,757)</b>	<b>1,519,334</b>	<b>1,116,142</b>
<b>Expenses</b>				
Program Services	880,469	-	880,469	448,041
Management and General	153,607	-	153,607	152,745
Fundraising	160,607	-	160,607	153,564
<b>Total Expenses</b>	<b>1,194,684</b>	<b>-</b>	<b>1,194,684</b>	<b>754,350</b>
Change in Net Assets before Other Changes in Net Assets	339,407	(14,757)	324,650	361,792
Other Changes in Net Assets				
Interest Income	100,052	-	100,052	66,432
Investment/Endowment Return, Net	288,617	4,372	292,989	(619,434)
Total Other Changes in Net Assets	388,669	4,372	393,041	(553,002)
<b>Total Change in Net Assets</b>	<b>728,076</b>	<b>(10,385)</b>	<b>717,691</b>	<b>(191,210)</b>
Net Assets, Beginning of Year	6,592,068	828,043	7,420,111	7,701,014
Prior Period Adjustment	89,693	-	89,693	-
As Restated	6,681,761	828,043	7,509,804	7,509,804
<b>Net Assets, End of Year</b>	<b>\$ 7,409,837</b>	<b>\$ 817,658</b>	<b>\$ 8,227,495</b>	<b>\$ 7,509,804</b>

The accompanying disclosures are an integral part of these financial statements.

## RiverLink, Inc.

### Statement of Functional Expenses

Year Ended December 31, 2023

(With summarized comparative totals from the prior year)

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2023</u>	<u>Total 2022</u>
Salaries	\$ 236,630	\$ 61,183	\$ 97,242	\$ 395,055	\$ 338,029
Payroll Taxes	18,467	4,775	7,589	30,830	25,662
Employee Benefits	22,902	5,122	9,400	37,424	31,283
AmeriCorps Members	41,032	-	-	41,032	37,856
Total Personnel Expenses	319,030	71,080	114,231	504,341	432,830
Bank and Merchant Fees	-	3,931	-	3,931	6,011
Contract Services	385,103	618	-	385,721	96,630
Dues and Subscriptions	3,139	688	993	4,820	4,216
Employee Training	2,241	5,211	109	7,561	6,930
Equipment Repairs/Maintenance	4,210	3,853	457	8,520	7,456
Event Expenses	1,036	4,273	4,672	9,980	7,246
Insurance	6,893	5,801	3,251	15,945	18,502
Land Expenses	4,133	-	-	4,133	1,418
Marketing	1,658	1,679	1,357	4,693	4,553
Meals and Accommodations	241	32	56	329	177
Meetings and Conferences	820	504	408	1,732	970
Miscellaneous	2,763	2,763	614	6,139	344
Office Supplies	417	307	127	851	1,216
Postage	-	163	1,309	1,472	1,363
Printing	676	104	4,250	5,030	3,682
Professional Services	-	32,040	-	32,040	14,334
Property Taxes	-	6,192	-	6,192	751
Rent	25,200	7,200	12,600	45,000	50,959
Repairs and Maintenance	5,388	1,599	2,643	9,631	6,549
Supplies	50,311	-	-	50,311	5,286
Telephone	1,987	969	994	3,950	3,639
Travel	6,598	522	-	7,120	3,444
Utilities	1,474	742	734	2,950	3,408
Website and Internet	1,518	240	5,654	7,412	1,500
Subtotal Expenses	824,835	150,511	154,458	1,129,804	683,414
Depreciation	9,909	2,831	4,954	17,694	10,298
Distributions to Town of Woodfin	44,531	-	-	44,531	59,617
In-Kind Contributions Utilized	1,195	266	1,195	2,655	1,021
<b>Total Expenses</b>	<b>\$ 880,469</b>	<b>\$ 153,607</b>	<b>\$ 160,607</b>	<b>\$ 1,194,684</b>	<b>\$ 754,350</b>

*The accompanying disclosures are an integral part of these financial statements.*

## RiverLink, Inc.

### Statement of Cash Flows

Year Ended December 31, 2023

(With summarized comparative totals from the prior year)

	<b>2023</b>	<b>2022</b>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in Net Assets	\$ 717,691	\$ (191,210)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided or (Used) by Operating Activities:		
Depreciation	17,694	10,298
Investment/Endowment Interest Reinvested	(85,159)	(53,114)
Investment/Endowment Returns, Net	(292,989)	619,434
(Increase)/Decrease in Operating Assets		
Contributions and Grants Receivable	(18,443)	(3,810)
Program Fee Receivable	-	610
Other Assets	1,240	(2,688)
Increase/(Decrease) in Operating Liabilities		
Accounts Payable	53,413	(33,041)
Payroll Liabilities	892	(3,042)
Total Cash Provided by Operating Activities	<u>394,339</u>	<u>343,437</u>
<b><u>Cash Flows from Investing Activities</u></b>		
Note Receivable Payments Received	8,865	33,578
Purchase of Property and Equipment	(246,935)	(73,179)
Land Improvements	(538,393)	(57,809)
Contributions to Investment/Endowment	(353,233)	(227,675)
Distributions from Investment/Endowment	726,379	147,370
Total Cash Used by Investing Activities	<u>(403,317)</u>	<u>(177,715)</u>
<b><u>Cash Flows from Financing Activities</u></b>		
Capital Lease Payments	-	(787)
Total Cash Used by Financing Activities	<u>-</u>	<u>(787)</u>
Net Change in Cash and Cash Equivalents	(8,978)	164,935
Cash and Cash Equivalents, Beginning of Year	<u>1,123,241</u>	<u>958,306</u>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 1,114,263</u></b>	<b><u>\$ 1,123,241</u></b>
Supplemental Cash Flow Information:		
Right-Of-Use Operating Lease Asset	<u>\$ -</u>	<u>\$ 121,302</u>

*The accompanying disclosures are an integral part of these financial statements.*



**RiverLink, Inc.**  
**Disclosures to the Financial Statements**  
Year Ended December 31, 2023

**1. Description of the Organization, Corporate and Tax-Exempt Status**

RiverLink promotes the environmental and economic vitality of the French Broad River and its watershed. The organization is funded by foundation and governmental grants and by contributions from the public.

In 2021, RiverLink earned land trust re-accreditation from the Land Trust Accreditation Commission, an independent program of the Land Trust Alliance (LTA). Accreditation demonstrates that a land trust organization has implemented nationally recognized standards and practices for governing its land protection activities. One such practice is building a Stewardship Fund and a Legal Defense Fund to ensure that the organization has the resources to monitor, preserve and protect its conservation easements in perpetuity. These conservation easement protection funds are included in net assets with donor restrictions.

RiverLink is a not-for-profit corporation under the laws of the State of North Carolina and has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. Contributions to the organization qualify for the charitable contribution deduction under Section 170(b)(1)(a). The organization is classified as a publicly supported organization under Section 509(a)(1).

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements have been prepared on an accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (U.S. GAAP), as applicable to not-for-profit organizations.

**Financial Statement Presentation**

The classification of the organization's net assets, and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets – without donor restrictions and with donor restrictions – be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

The classes of net assets are defined as follows:

*Net Assets Without Donor Restrictions* – Includes net assets that are not subject to donor-imposed restrictions and that may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the organization's management and board of directors.

*Net Assets With Donor Restrictions* - Includes net assets that are subject to restrictions imposed by donors or grantors. Some donor and grantor restrictions are temporary in nature, such as those with a specified purpose or a timeframe for expenditure established by the donor or grantor. Other donor-imposed restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

### Cash and Cash Equivalents

The organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

### Concentration of Credit Risk

Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of cash and cash equivalents. The organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed FDIC federally insured limits. The organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

### Leases

The organization follows (ASU) *No. 2016-02 Leases* (Topic 842) as management believes the standard improves the usefulness and understandability of the organization's financial reporting. The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases, except for short-term leases less than 12 months. The adoption can have a material impact on the organization's statement of financial position but does not have a material impact on the statement of activities and cash flows.

### Investments

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

### Notes Receivable

Notes receivable consist of amounts due from borrowers. Notes receivables are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The organization separates accounts receivable into risk pools to help determine the amount of the allowance as of the statement of financial position date. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions.

### Contributions and Grants Receivable

Contributions and grants receivable, without conditions, and expected to be collected within one year are recorded at net realizable value; those expected to be collected in more than one year are recorded at the present value of their future cash flows, using a risk adjusted interest rate. Any provision for uncollectible receivables is estimated by management based on historical collection experience.

### Property and Equipment

Property and equipment purchases are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Estimated useful lives of the related assets: five to seven years for equipment, furniture, and vehicles; 15 years for building improvements; and 31.5 years for buildings. Contributed land is recorded at fair value at the date of donation. The organization has adopted a capitalization threshold of \$500 per item. Expenses for repairs and maintenance that do not improve or extend the life of an asset are expensed as incurred.

### Program Service Revenue

In accordance with U.S. GAAP, the organization follows FASB ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The standard applies to revenue from ongoing major or central operations and activities.

### Conservation Easements

As allowed under U.S. GAAP, RiverLink does not recognize in its financial statements the value of the conservation easements it receives by donation as part of its watershed protection work.

### Contributions and Grants

Contributions and grants are recognized in support: (1) when the organization receives cash, securities or other assets from a donor or grantor, (2) when a donor conveys a promise to make a donation in the future, on an unconditional basis, and (3) when a grantor awards a grant to be paid in the future, on an unconditional basis. Contributions and grants with conditions, such as performance requirements, are not recognized until the conditions on which they depend have been substantially met.

### In-Kind Contributions

The organization recognizes contributed goods and the use of facilities at estimated fair value on the date of receipt. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. When recognized, contributed services are reported at fair value.

### Fair Value Measurements

Fair value is the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. Certain valuation techniques are used to measure fair value. There are three broad levels as follows:

*Level 1* – (the highest level) inputs are based on quoted prices in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date. For example, securities traded in an active market are valued using Level 1 inputs.

*Level 2* – inputs are observable inputs other than quoted prices, either directly or indirectly through corroboration with observable market data. If the asset or liability has a specified term, the Level 2 input must be observable for substantially the full term.

*Level 3* – inputs are unobservable inputs for the asset or liability, meaning the inputs reflect the organization's own assumptions about the assumptions market participants would use in pricing the asset or liability, including inputs related to risk, which have been developed based on the best information available in the circumstances.

### Endowments

The Board of Directors of the RiverLink has interpreted the North Carolina Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original of donor-restricted endowment funds absent donor stipulations to the contrary. As a result of this interpretation, RiverLink classifies (a) the original value of gifts donated to the endowment, (b) the original value of the subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift restriction. Additionally, any accumulation of donor-restricted endowment funds that are not required to be maintained in perpetuity are classified net assets with restrictions until those amounts are appropriated for expenditure by RiverLink subject to Board-approved spending policy.

In accordance with UPMIFA, RiverLink considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the organization, and (7) the organization's investment policies.

*Investment Return Objectives, Risk Parameters and Strategies.* RiverLink has adopted investment and spending policies, approved by the Board, for endowment assets that attempt to provide a predictable stream of funding to the operations while also maintaining purchasing power of those endowment assets over the long-term.

Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are managed by the Community Foundation of Western North Carolina (CFWNC). RiverLink has no input on how the funds are invested. Investment risk is measured in terms of the total endowment fund, investment assets, and allocation.

*Spending Policy.* RiverLink appropriates only annual interest income for an annual distribution from the fund.

#### Board Designated Quasi-Endowments

Riverlink maintains two board designated endowment to support its mission. The fund is held and managed by a community foundation in accord with investment guidelines established by the organization and investing policies established by the community foundation. The asset is reported at fair value in accordance with U.S. GAAP. The organization also appropriates for expenditure varying amounts each year based on the needs of its operating budget.

*Investment Return Objectives, Risk Parameters and Strategies.* RiverLink has adopted investment and spending policies, approved by the Board, for endowment assets that attempt to provide a predictable stream of funding to the operations while also maintaining purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

#### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

#### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain categories of expenses that are attributable to more than one program or supporting function require management's allocation on a reasonable basis that is consistently applied. The primary allocation basis used by management for personnel expenses and applicable overhead expenses is estimated based on employee time and effort.

Fiscal Sponsor

RiverLink served as a fiscal sponsor to the Town of Woodfin for their Blueway and Greenway Project. These funds are included in the support as restricted contributions on the Statement of Activity, and disbursements of funds to the Town of Woodfin are expensed out in the Statement of Functional expense. Any remaining balances at year-end are tracked as net assets with donor restrictions.

Income Taxes/Uncertain Tax Positions

RiverLink is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. Under the Code, however, income from certain activities not related to the organization's tax-exempt purpose may be subject to taxation as unrelated business income. The organization had no income from unrelated business activities in 2023 and was, therefore, not required to file Federal Form 990-T (Exempt organization Business Income Tax Return). The organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Summarized Comparative Data

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the organization's audited financial statements for the year ended December 31, 2022, from which the summarized information was derived. Certain amounts in the prior-year financial statements have been reclassified to conform to the current year presentation.

**3. Liquidity and Availability**

The organization's liquidity management plan calls for cash in excess of daily requirements to be invested in money market accounts. Occasionally, the Board may designate a portion of operating surplus to reserve funds. The Board has the authority to release board-designated funds as needed to best serve RiverLink objectives.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

As of December 31:

Financial Assets at year end:

	<b>2023</b>	<b>2022</b>
Cash and Cash Equivalents	\$ 1,114,263	\$ 1,123,241
Receivables	218,516	208,938
Investments - Brokerage Firms	2,453,178	2,559,529
Endowments - Community Foundation	1,149,317	1,037,964
Total Financial Assets	4,935,274	4,929,672

Less amounts not available to be used in one year:

Note Receivable- Long-Term Portion	167,748	180,072
Board Designated Net Assets	3,611,739	3,632,191
RiverLink Fund at CFWNC	45,756	43,504
Restricted Legal Defense and Stewardship Funds	147,771	143,730
Total not available to be used in one year	3,973,014	3,999,497

Financial assets available to meet general expenditures over the following year

	\$ 962,260	\$ 930,175
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**4. Cash and Cash Equivalents**

RiverLink's cash and cash equivalents are as follows:

<u>As of December 31:</u>	<u>2023</u>	<u>2022</u>
Checking Account	\$ 936,851	\$ 653,099
Money Market Accounts	173,363	466,847
Cash Held by Brokerages	4,049	3,295
Total Cash and Cash Equivalents	<u>\$ 1,114,263</u>	<u>\$ 1,123,241</u>

During the year, RiverLink exceeded the FDIC limit by \$672,156. Management believes the organization is not exposed to any significant credit risk on its cash balances.

**5. Investments Held by Brokerage Firms**

In 2021, utilizing unrestricted funds received from a building sale, RiverLink set up two funds with an investment firm. Each fund was established with an initial contribution of \$1,500,000. The funds are board designated and intended to be used for the following purposes:

Riverlink Investment Fund A – These funds were set aside and invested with the intent of covering costs expected to be incurred over the next 1-5 years. The use of these funds and its earnings set aside by the board is intended to be limited and not utilized to cover general operating expenses. The intended purpose of the funds is to provide special funding for four key areas: office building, special projects and programs, capital projects, and promotion of social equity projects over the 5-year period. The board set aside \$750,000 of the proceeds for a period of three years beginning June 1, 2022, during which time the funds will be available only for the potential acquisition of new office space.

Riverlink Investment Fund B – These funds were set aside and invested with the intent of being a long-term investment with a portion of the investment earnings available to help supplement operating costs on an annual basis. Annual distributions will initially be limited to 4% of the value of the account, with a maximum annual distribution of 8%.

As of the 2023 and 2022 fiscal year ends, investments with brokerage firms were allocated according to investment class as shown below, at fair value:

<u>As of December 31:</u>	<u>2023</u>	<u>2022</u>
Equity	\$ 1,005,245	\$ 1,030,912
Fixed Income	1,355,523	1,429,677
Cash Equivalents	92,410	98,940
Total Investments	<u>\$ 2,453,178</u>	<u>\$ 2,559,529</u>

Balances and activities within each of these funds for the year ended December 31, 2023, are presented as follows:

	<u>RiverLink Investment Fund A</u>	<u>RiverLink Investment Fund B</u>	<u>Total Value</u>
Balance as of December 31, 2022	\$ 1,390,124	\$ 1,169,405	\$ 2,559,529
Current Year Activity:			
Contributions/Transfers	337,500	-	337,500
Investment Income	38,270	30,505	68,775
Investment Gains	40,589	162,090	202,679
Fees	(7,078)	(7,098)	(14,176)
Distributions	(650,000)	(51,129)	(701,129)
Balance as of December 31, 2023	<u>\$ 1,149,405</u>	<u>\$ 1,303,773</u>	<u>\$ 2,453,178</u>

**6. Endowments Held with the Community Foundation**

RiverLink holds three funds with the Community Foundation of Western North Carolina (CFWNC). CFWNC's investment strategy strives to maximize annual return while prudently mitigating risk within a long-term time horizon.

Additional descriptions of the CFWNC funds are as follows:

RiverLink Endowment Fund – This quasi-endowment fund was created in 2021 and is intended to be used to supplement RiverLink's annual operating budget.

Stewardship and Legal Defense Fund – The fund is dedicated to expenses for maintaining and defending conservation easements held by the organization.

RiverLink Fund – This is a donor-restricted endowment fund. The corpus of the fund is \$15,803 and is perpetually restricted with income included in net assets with donor restrictions. The fund's purpose is to support general operations.

Balances and activities within each of these funds for the year ended December 31, 2023, are presented as follows:

	Designated RiverLink Endowment Fund	Designated Stewardship & Legal Defense Fund	With Donor Restrictions RiverLink Fund	Total Value
Balance as of December 31, 2022	\$ 866,401	\$ 128,059	\$ 43,504	\$ 1,037,964
Current Year Activity:				
Contributions/Transfers	-	15,733	-	15,733
Investment Income	13,819	1,957	608	16,384
Investment Gains/(Losses)	96,583	13,678	4,163	114,424
Fees	(8,232)	(1,307)	(399)	(9,938)
Distributions to RiverLink	(18,130)	(5,000)	(2,120)	(25,250)
Balance as of December 31, 2023	<u>\$ 950,441</u>	<u>\$ 153,120</u>	<u>\$ 45,756</u>	<u>\$ 1,149,317</u>

**7. Grants and Contributions Receivable**

Grants and contributions receivables were as follows:

<u>For the Year Ended December 31:</u>	<u>2023</u>	<u>2022</u>
Grants Receivable	\$ 20,577	\$ 8,845
Contributions Receivable	20,421	13,710
Total Receivables	<u>\$ 40,998</u>	<u>\$ 22,555</u>

**8. Note Receivable**

In 2019, Riverlink finalized the sale of the 704 Riverside Drive Property to one of their long-time tenants. RiverLink decided to do owner financing to help facilitate this process. Note receivable consists of the following as of December 31, 2023:

Note Receivable from River Pirate Investments, LLC.

The mortgage note receivable terms are \$1,546 payment per month, consisting of principal and 5% interest based on 30 year amortization. Note is secured by a Deed of Trust. Final payment due in September 2029.

Balance as of December 31, 2023	<u>\$ 177,518</u>
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## Summary of Notes Receivable:

Total Notes Receivable	\$ 177,518
Less Current Maturities	9,770
Notes Receivable, Net of Current Maturities	<u>\$ 167,748</u>

The organization fully intends to collect the entire note; thus, no allowance for credit loss is necessary.

**9. Lease Commitments**

RiverLink leases office space, storage, and a copier. The lease agreements are reflected as right of use operating lease assets and operating lease liabilities on the statement of financial position. The present value of the right of use operating lease asset and lease liability uses an accepted risk-free discount rate and accounts for lease and non-lease components as a single lease component. The assets and liabilities reflected on the financial statements for the right of use operating lease asset and financing lease liabilities were \$79,167 as of December 31, 2023. The weighted average monthly rental payment for all leases is \$2,513. Monthly rental payments are the same every year. The remaining weighted average lease term is 19.2 months, and the weighted average risk-free discount rate used is 2.97%. The property lease includes the option to terminate after 6 months. Required lease liability by year for the remainder of the lease term is as follows:

<u>For the Year Ending December 31:</u>	<u>2023</u>
2024	\$ 52,320
2025	26,820
2026	1,320
2027	440
Total Undiscounted Cash Flows	80,900
Less: Present Value Discount	(1,733)
Total Minimum Lease Obligations	<u>\$ 79,167</u>

**10. Property and Equipment**

RiverLink's property and equipment, stated at original cost value, are summarized below

<u>As of December 31:</u>	<u>2023</u>	<u>2022</u>
Park and Conservation Properties	\$ 3,058,530	\$ 2,520,137
Property and Equipment, Net	392,180	145,244
Company Vehicle	57,394	57,394
Less: Accumulated Depreciation	(147,072)	(129,377)
Total Property and Equipment, Net	<u>\$ 3,361,032</u>	<u>\$ 2,593,398</u>

Depreciation expenses were \$17,695 and \$10,298 for the years ended December 31, 2023, and 2022, respectively.

**11. Conservation Easements**

RiverLink holds 25 conservation easements on small tracts of property bordering or accessing streams and rivers in the French Broad watershed. All the easements were received by donation. As permitted by U.S. GAAP, the organization has elected not to recognize the value of the easements in its financial statements.



**12. Net Assets Without Donor Restrictions**

Net assets without donor restrictions totaled \$7,409,837 and \$6,681,761 as of December 31, 2023, and 2022, respectively. The Board designated a portion of these net assets for future contingencies and purposes. Net assets designated by the Board are for the following purposes:

<u>As of December 31:</u>	<b>2023</b>	<b>2022</b>
KC Park	\$ -	\$ 273,202
Revolving Land Acquisition Fund	55,000	55,000
RiverLink Short Term Board Fund	1,149,405	1,140,124
RiverLink Long Term Fund	1,303,773	1,169,405
Board Designated Funds With CFWNC	1,103,561	994,460
Total Board Designated Net Assets	<u>\$ 3,611,739</u>	<u>\$ 3,632,191</u>

**13. Net Assets With Donor Restrictions**

Net assets with donor restrictions consist of the following:

<u>As of December 31:</u>	<b>2023</b>	<b>2022</b>
Education	\$ 87,391	\$ 69,789
KC Park	131,659	314,722
Land Resource Management	11,591	6,591
Legal Defense and Stewardship Funds	147,771	143,730
Mud Creek	-	13,493
River Access Design	10,280	10,280
RiverLink Fund at CFWNC	45,756	43,504
Scholarships & Equipment Rivercamp 2023	-	4,000
Gateway Park	300,000	-
Stormwater PSA	45,375	-
River Cane Restoration	12,600	-
Southside Shade Structure	-	6,000
Watershed Resource Management	25,235	203,884
Woodfin Greenway & Blueway Project	-	12,050
Total Net Assets With Donor Restrictions	<u>\$ 817,658</u>	<u>\$ 828,043</u>

RiverLink acts as a Fiscal Sponsor for the Town of Woodfin, whereby they receive and manage funds on behalf of the Town's Greenway & Blueway Project. RiverLink disbursed funds in the amount of \$44,531 and \$59,617 as of December 31, 2023, and 2022, respectively to the Town of Woodfin.

**14. In-Kind Contributions**

RiverLink receives in-kind contributions of goods and services related to its programs and operations. Contributed property and equipment are capitalized in accordance with RiverLink's capitalization policy. In-kind contributions for the years ended December 31, 2023, and 2022 consist of the following:

<u>For the Year Ended December 31:</u>	<b>2023</b>	<b>2022</b>
Goods	\$ 1,480	\$ 1,021
Service	1,175	-
Total In-Kind Contributions	<u>\$ 2,655</u>	<u>\$ 1,021</u>

RiverLink makes extensive use of volunteers to carry out its programs. For the year ended December 31, 2023, volunteers contributed a total of 736 hours with a total value of \$24,649 based on the rate of \$33.49 per hour updated annually by the nonprofit “independent sector.” The services contributed by volunteers did not meet the requirements of U.S. GAAP for recognition in income.

#### 15. ***Retirement Plan***

RiverLink maintains a Simple IRA benefit plan to which the organization contributes up to 3% of gross salary once an employee has received \$5,000 in compensation during the calendar year. The employees may make their own pre-tax elective contributions through payroll withholding. RiverLink’s contributions to the plan were \$8,335 and \$5,612 for the years ended December 31, 2023, and 2022, respectively.

#### 16. ***Fair Value Measurements***

Fair values of assets measured on a recurring basis are as follows on December 31, 2023:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		Level 1 Assets	Level 2 Assets	Level 3 Assets
Investments Held by Brokers:				
Equity	\$ 1,005,245	\$ 1,005,245	\$ -	\$ -
Fixed Income	1,355,523	1,355,523	-	-
Cash Equivalents	92,410	92,410	-	-
Funds with CFWNC	1,149,317	-	-	1,149,317
Note Receivable	177,518	-	177,518	-
Totals	<u>\$ 3,780,013</u>	<u>\$ 2,453,178</u>	<u>\$ 177,518</u>	<u>\$ 1,149,317</u>

Financial assets valued using Level 3 inputs are based on significant unobservable inputs. Criteria as follows:

- Funds in Community Foundation - For the funds held by the Community Foundation, fair values provided by the foundation are used without adjustment. The applicable unobservable estimates are developed by the foundation.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Funds in Community Foundation
December 31, 2022	\$ 1,037,964
Change in Value, Net (Disclosure 6)	120,870
Contributions/Transfers	15,733
Distributions to RiverLink	(25,250)
December 31, 2023	<u>\$ 1,149,317</u>

#### 17. ***Prior Period Adjustment***

During the December 31, 2022 audit, costs associated with improvements to Karen Cragolin Park were expensed. The costs met the organization’s capitalization policy and should have been recorded as an increase to assets. As a result, expenses in the amount of \$89,693 will need to be presented as a prior period adjustment for the year ended December 31, 2022.

**18. Subsequent Events**

Subsequent events have been evaluated through September 18, 2024, which is the date the financial statements were available to be issued.