

RIVERLINK, INC.

INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024



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, 2024, 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, 2024, 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 2023 financial statements, and our report dated September 18, 2024, 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, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Carliss & Salaman, PLLC

Asheville, North Carolina

September 30, 2025

RiverLink, Inc.
Statement of Financial Position

As of December 31, 2024

(With summarized comparative totals as of December 31, 2023)

<u>Assets</u>	2024	2023
Current Assets		
Cash and Cash Equivalents	\$ 1,467,695	\$ 1,114,263
Accounts Receivable	37,778	-
Contributions and Grants Receivable	13,627	40,998
Note Receivable, Current Portion	10,269	9,770
Other Assets	11,496	13,132
Total Current Assets	1,540,865	1,178,163
Long-Term Assets		
Note Receivable, Net of Current Portion	156,402	167,748
Investments - Brokerage Firms	2,637,104	2,453,178
Beneficial Interest in Endowment Funds	1,228,803	1,149,317
Property and Equipment, Net	291,319	302,502
Right Of Use Operating Lease Asset	28,324	79,167
Park and Conservation Properties	3,058,530	3,058,530
Total Long-Term Assets	7,400,482	7,210,442
Total Assets	\$ 8,941,347	\$ 8,388,605
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts Payable	\$ 22,311	\$ 70,848
Payroll Liabilities	31,282	11,095
Operating Lease Liability, Current Portion	26,820	50,842
Total Current Liabilities	80,413	132,785
Long-Term Liabilities		
Operating Lease Liability, Net of Current Portion	1,504	28,325
Total Long-Term Liabilities	1,504	28,325
Total Liabilities	81,917	161,110
Net Assets		
Without Donor Restrictions	7,981,024	7,409,837
With Donor Restrictions	878,406	817,658
Total Net Assets	8,859,430	8,227,495
Total Liabilities and Net Assets	\$ 8,941,347	\$ 8,388,605

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

RiverLink, Inc.
Statement of Activities

Year Ended December 31, 2024

(With summarized comparative totals from the prior year)

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Total 2023
Support and Revenue				
Contributions	\$ 614,797	\$ 238,729	\$ 853,526	\$ 701,402
Grants	129,359	302,429	431,788	772,283
Program Income	30,240	-	30,240	34,800
Event Income	1,615	-	1,615	7,429
Miscellaneous Income	-	-	-	765
In-Kind Contributions	785	-	785	2,655
Net Assets Released from Restrictions	<u>497,844</u>	<u>(497,844)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>1,274,640</u>	<u>43,314</u>	<u>1,317,954</u>	<u>1,519,334</u>
Expenses				
Program Services	845,625	-	845,625	880,468
Management and General	142,989	-	142,989	153,608
Fundraising	154,269	-	154,269	160,607
Total Expenses	<u>1,142,883</u>	<u>-</u>	<u>1,142,883</u>	<u>1,194,684</u>
Change in Net Assets before Other Changes in Net Assets	<u>131,757</u>	<u>43,314</u>	<u>175,071</u>	<u>324,650</u>
Other Changes in Net Assets				
Interest Income	125,834	-	125,834	100,052
Investment/Endowment Return, Net	172,229	17,434	189,663	292,989
Gain/(Loss) on Asset Disposal	16,367	-	16,367	-
Domain Settlement	125,000	-	125,000	-
Total Other Changes in Net Assets	<u>439,430</u>	<u>17,434</u>	<u>456,864</u>	<u>393,041</u>
Total Change in Net Assets	<u>571,187</u>	<u>60,748</u>	<u>631,935</u>	<u>717,691</u>
Net Assets, Beginning of Year	<u>7,409,837</u>	<u>817,658</u>	<u>8,227,495</u>	<u>7,509,804</u>
Net Assets, End of Year	<u>\$ 7,981,024</u>	<u>\$ 878,406</u>	<u>\$ 8,859,430</u>	<u>\$ 8,227,495</u>

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

RiverLink, Inc.
Statement of Functional Expenses

Year Ended December 31, 2024

(With summarized comparative totals from the prior year)

	Program	Management and General	Fundraising	Total 2024	Total 2023
Salaries	\$ 271,850	\$ 64,726	\$ 94,932	\$ 431,508	\$ 395,055
Payroll Taxes	20,695	4,928	7,227	32,850	30,830
Employee Benefits	35,455	3,413	12,733	51,601	37,424
AmeriCorps Members	39,636	-	-	39,636	41,032
Total Personnel Expenses	367,636	73,067	114,892	555,595	504,341
Bank and Merchant Fees	-	5,739	-	5,739	3,931
Contract Services	209,185	18,389	-	227,574	385,721
Dues and Subscriptions	4,530	100	1,052	5,682	4,820
Employee Training	2,309	787	21	3,117	7,561
Equipment Repairs	3,599	1,390	247	5,236	8,520
Event Expenses	-	-	6,179	6,179	9,980
Insurance	8,101	5,158	1,970	15,229	15,945
Land Expenses	26	-	-	26	4,133
Marketing	630	334	712	1,676	4,693
Meetings and Conferences	2,144	759	1,104	4,007	1,732
Miscellaneous	141	74	50	265	6,468
Office Supplies	587	325	294	1,206	851
Postage	-	182	987	1,169	1,472
Printing	328	71	3,348	3,747	5,030
Professional Services	3,705	17,785	-	21,490	32,040
Property Taxes	-	4,499	-	4,499	6,192
Rent	27,950	6,020	9,030	43,000	45,000
Repairs and Maintenance	2,386	514	771	3,671	9,631
Program Supplies	183,809	-	-	183,809	50,311
Telephone	2,197	473	710	3,380	3,950
Travel	7,959	2,116	-	10,075	7,120
Utilities	969	330	313	1,612	2,950
Website and Internet	1,170	252	4,281	5,703	7,412
Subtotal Expenses	829,361	138,364	145,961	1,113,686	1,129,804
Depreciation	15,911	4,546	7,955	28,412	17,694
Distributions to Town of Woodfin	-	-	-	-	44,531
In-Kind Utilized	353	79	353	785	2,655
Total Expenses	\$ 845,625	\$ 142,989	\$ 154,269	\$ 1,142,883	\$ 1,194,684

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

RiverLink, Inc.

Statement of Cash Flows

Year Ended December 31, 2024

(With summarized comparative totals from the prior year)

	2024	2023
Cash Flows from Operating Activities		
Change in Net Assets	\$ 631,935	\$ 717,691
Adjustments to Reconcile Change in Net Assets to Net Cash Provided or (Used) by Operating Activities:		
Depreciation	28,412	17,694
Gain on Asset Disposal	(16,367)	-
Investment/Endowment Interest Reinvested	(102,552)	(85,159)
Investment/Endowment Returns, Net	(189,663)	(292,989)
(Increase)/Decrease in Operating Assets		
Accounts Receivable	(37,778)	-
Contributions and Grants Receivable	27,371	(18,443)
Other Assets	1,636	1,240
Increase/(Decrease) in Operating Liabilities		
Accounts Payable	(48,537)	53,413
Payroll Liabilities	20,187	892
Total Cash Provided by Operating Activities	<u>314,644</u>	<u>394,339</u>
Cash Flows from Investing Activities		
Note Receivable Payments Received	10,847	8,865
Purchase of Property and Equipment	(862)	(246,935)
Land Improvements	-	(538,393)
Contributions to Investment/Endowment	-	(353,233)
Distributions from Investment/Endowment	28,803	726,379
Total Cash Provided/(Used) by Investing Activities	<u>38,788</u>	<u>(403,317)</u>
Net Change in Cash and Cash Equivalents	353,432	(8,978)
Cash and Cash Equivalents, Beginning of Year	<u>1,114,263</u>	<u>1,123,241</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,467,695</u>	<u>\$ 1,114,263</u>

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

RiverLink, Inc.
Disclosures to the Financial Statements
Year Ended December 31, 2024

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 for all. The organization is primarily funded by foundation and governmental grants and by contributions from the public.

RiverLink accomplishes its mission by improving watershed health and flood resilience, providing permanent conservation and recreation easements, reclaiming contaminated lands for public use and enjoyment, empowering over 1,000 volunteers each year, and annually educating over 5,000 students (both in and out-of-school free of charge), as well as the public at large, about the importance of a healthy French Broad River watershed.

Given the enormous magnitude of impact of Hurricane Helene on our region, RiverLink has responded to this moment by creating a new Recovery, Resilience + Planning Division to ensure our watershed's rivers and streams have a voice and are represented in all aspects of our region's comeback. We are now engaged in deep collaborations with our local jurisdictions and linking arms with fellow conservation organizations – all to ensure a science-based, comprehensive approach to our rivers' and region's recovery and that we "make way" for our waterways to increase community flood resilience and reduce future losses.

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). The organization receives its support principally through contributions and grants.

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.

Accounts Receivable

Accounts receivable 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.

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 \$2,500 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. There was no activity in 2024.

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 2024 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, 2023, 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: (See next page)

As of December 31:

Financial Assets at year end:

	2024	2023
Cash and Cash Equivalents	\$ 1,467,695	\$ 1,114,263
Receivables - Current	218,076	218,516
Investments - Brokerage Firms	2,637,104	2,453,178
Beneficial Interest in Endowment Funds	<u>1,228,803</u>	<u>1,149,317</u>
Total Financial Assets	5,551,678	4,935,274
Less amounts not available to be used in one year:		
Note Receivable- Long-Term Portion	156,402	167,748
Board Designated Net Assets	3,874,243	3,611,739
RiverLink Fund at CFWNC	46,664	45,756
Restricted Legal Defense and Stewardship Funds	<u>157,841</u>	<u>147,771</u>
Total not available to be used in one year	<u>4,235,150</u>	<u>3,973,014</u>
Financial assets available to meet general expenditures over the following year	<u>\$ 1,316,528</u>	<u>\$ 962,260</u>

4. Cash and Cash Equivalents

RiverLink's cash and cash equivalents are as follows:

<u>As of December 31:</u>	2024	2023
Checking Account	\$ 1,463,365	\$ 936,851
Money Market Accounts	-	173,363
Cash Held by Brokerages	4,330	4,049
Total Cash and Cash Equivalents	<u>\$ 1,467,695</u>	<u>\$ 1,114,263</u>

During the year, RiverLink exceeded the FDIC limit by \$968,926. 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 2024 and 2023 fiscal year ends, investments with brokerage firms were allocated according to investment class as shown below, at fair value: (See next page)

<u>As of December 31:</u>	2024	2023
Equity	\$ 1,103,355	\$ 1,005,245
Fixed Income	1,415,855	1,355,523
Cash Equivalents	117,894	92,410
Total Investments	\$ 2,637,104	\$ 2,453,178

Balances and activities within each of these funds for the year ended December 31, 2024, are presented as follows:

	RiverLink Investment Fund A	RiverLink Investment Fund B	Total Value
Balance as of December 31, 2023	\$ 1,149,405	\$ 1,303,773	\$ 2,453,178
Current Year Activity:			
Investment Income	41,042	31,040	72,082
Investment Gains/ Losses	(7,585)	133,936	126,351
Fees	(6,601)	(7,906)	(14,507)
Distributions	-	-	-
Balance as of December 31, 2024	\$ 1,176,261	\$ 1,460,843	\$ 2,637,104

6. Endowments Held with the Community Foundation

The beneficial interest in endowment funds is managed by the Community Foundation of Western North Carolina, Inc. The fund agreements grant variance power to the foundation. This power allows the Board of Directors of the Foundation to modify any condition or restriction on the distribution of funds, if, in its sole judgement (without the approval of any trustee, custodian or agent), such condition or restriction becomes in effect unnecessary, incapable of fulfillment, or inconsistent with the charitable needs served by the Foundation. Under the terms of the agreements, RiverLink can withdraw all or a portion of the original principal, provided that the governing board of RiverLink and the Foundation approve the withdrawal. RiverLink's beneficial interest in endowment funds is invested in an allocated investment pool at the Foundation and is presented in the financial statements in the aggregate at fair value.

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, 2024, 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, 2023	\$ 950,441	\$ 153,120	\$ 45,756	\$ 1,149,317
Current Year Activity:				
Investment Income	25,621	3,706	1,143	30,470
Investment Gains	75,400	10,671	2,335	88,406
Fees	(8,794)	(1,373)	(420)	(10,587)
Distributions to RiverLink	(18,370)	(8,283)	(2,150)	(28,803)
Balance as of December 31, 2024	<u>\$ 1,024,298</u>	<u>\$ 157,841</u>	<u>\$ 46,664</u>	<u>\$ 1,228,803</u>

7. **Grants and Contributions Receivable**

Grants and contributions receivables were as follows:

<u>For the Year Ended December 31:</u>	2024	2023
Grants Receivable	\$ 11,127	\$ 20,577
Contributions Receivable	2,500	20,421
Total Receivables	<u>\$ 13,627</u>	<u>\$ 40,998</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, 2024:

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, 2024	<u>\$ 166,671</u>
Summary of Notes Receivable:	
Total Notes Receivable	<u>\$ 166,671</u>
Less Current Maturities	<u>10,269</u>
Notes Receivable, Net of Current Maturities	<u>\$ 156,402</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 \$28,324 as of December 31, 2024. 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 8.4 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>	2024
2025	\$ 26,820
2026	1,320
2027	440
Total Undiscounted Cash Flows	28,580
Less: Present Value Discount	(256)
Total Minimum Lease Obligations	<u>\$ 28,324</u>

10. Property and Equipment

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

<u>As of December 31:</u>	2024	2023
Park and Conservation Properties	\$ 3,058,530	\$ 3,058,530
Property and Equipment, Net	310,262	392,180
Company Vehicle	30,295	57,394
Less: Accumulated Depreciation	(49,238)	(147,072)
Total Property and Equipment, Net	<u>\$ 3,349,849</u>	<u>\$ 3,361,032</u>

Depreciation expenses were \$28,412 and \$17,694 for the years ended December 31, 2024, and 2023, respectively.

RiverLink holds 10 parcels of land, with a value of \$3,058,530, as well as 25 conservation easements, to support its land conservation efforts and its mission of providing public access. While Hurricane Helene caused extensive damage throughout the region, RiverLink's activated and pending public park spaces fared incredibly well with next to no physical damage given their floodplain design compatibility. Hence we incurred no economic losses as a result.

11. Net Assets Without Donor Restrictions

Net assets without donor restrictions totaled \$7,978,478 and \$7,409,837 as of December 31, 2024, and 2023, 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>	2024	2023
Revolving Land Acquisition Fund	55,000	55,000
RiverLink Short Term Board Fund	1,176,262	1,149,405
RiverLink Long Term Fund	1,460,842	1,303,773
Board Designated Funds With CFWNC	1,182,139	1,103,561
Total Board Designated Net Assets	<u>\$ 3,874,243</u>	<u>\$ 3,611,739</u>

12. **Net Assets With Donor Restrictions**

Net assets with donor restrictions consist of the following:

<u>As of December 31:</u>	2024	2023
Adopt a Stream	\$ 40,000	\$ -
Education	78,011	87,391
Gateway Park	275,667	300,000
Helene	2,250	-
Hood Hugger	5,000	-
KC Park	124,739	131,659
Land Resource Management	31,827	11,591
Legal Defense and Stewardship Funds	157,841	147,771
Other	5,083	-
Out of School	25,000	-
Pigeon River Fund	39,500	-
River Access Design	10,280	10,280
River Cane Restoration	8,600	12,600
RiverLink Fund at CFWNC	46,664	45,756
Stormwater PSA	1,250	45,375
Truck Purchase	6,331	-
Watershed Resource Management	9,363	25,235
Woodfin Greenway & Blueway Project	11,000	-
Total Net Assets With Donor Restrictions	\$ 878,406	\$ 817,658

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 \$0 and \$44,531 as of December 31, 2024, and 2023, respectively to the Town of Woodfin.

13. **Multi-Year Conditional Grants**

RiverLink received one multi-year promise-to-fund grants that are conditional upon the satisfaction of specific programmatic milestones detailed in the grant agreements. In total, the multi-year grant agreements have promises to give \$50,000 during the year 2025. In accordance with U.S. GAAP, conditional grants and pledges are not recognized in income or in receivables until the applicable conditions are met. Accordingly, the amounts for fiscal year 2025 have not been recognized in the accompanying financial statements.

14. **In-Kind Contributions**

RiverLink makes extensive use of volunteers to carry out its programs. For the year ended December 31, 2024, volunteers contributed a total of 1,033 hours with a total value of \$35,938 based on the rate of \$34.79 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. **Eminent Domain Action**

As originally reported in 2016, the City of Asheville notified RiverLink of its intent to take certain portions of land within RiverLink's Cotton Mill and B&H properties under an action of Eminent Domain, with RiverLink to be compensated at fair market value. At that time RiverLink realized a gain of \$233,811 on the transaction, but exercised their right to appeal the valuation and reached a settlement for an additional \$125,000 in 2024.

16. *Fair Value Measurements*

Fair values of assets measured on a recurring basis are as follows on December 31, 2024:

	Fair Value Measurements at Reporting Date Using		
	Level 1	Level 2	Level 3
	Fair Value	Assets	Assets
Investments- Brokers:			
Equity	\$ 1,103,355	\$ 1,103,355	\$ -
Fixed Income	1,415,855	1,415,855	-
Cash Equivalents	117,894	117,894	-
Beneficial Interest in Endowment Funds	1,228,803	-	1,228,803
Note Receivable	166,671	-	166,671
Totals	\$ 4,032,578	\$ 2,637,104	\$ 166,671
			\$ 1,228,803

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, 2023	\$ 1,149,317
Change in Value, Net	108,289
Distributions to RiverLink	(28,803)
December 31, 2024	\$ 1,228,803

17. *Subsequent Events*

Subsequent events have been evaluated through September 30, 2025, which is the date the financial statements were available to be issued.