

American Rivers, Inc.

Financial Report
June 30, 2021

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RSM US LLP

Independent Auditor's Report

Board of Directors
American Rivers, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of American Rivers, Inc. (American Rivers) which comprise the statement of financial position as of June 30, 2021 and 2020, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to American Rivers' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of American Rivers' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Rivers, Inc. as of June 30, 2021 and 2020, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022, on our consideration of American Rivers' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of American Rivers' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering American Rivers' internal control over financial reporting and compliance.

RSM US LLP

Washington, D.C.
January 31, 2022

American Rivers, Inc.

**Statements of Financial Position
June 30, 2021 and 2020**

	2021	2020
Assets		
Cash and cash equivalents	\$10,779,558	\$ 9,059,704
Investments	3,724,137	3,189,967
Accounts receivable, net:		
Billed	1,851,851	584,782
Unbilled	1,455,488	1,136,896
Grants and promises to give, net	2,138,809	3,181,934
Prepaid expenses and other current assets	208,904	256,853
Property and equipment, net	66,062	82,221
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Total assets	\$20,224,809	\$17,492,357
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 3,202,804	\$ 1,070,289
Accrued salaries and related benefits	664,579	635,306
Refundable advances	2,033,258	1,914,325
Charitable gift annuities	155,800	164,739
Deferred rent	408,355	443,742
Deposits payable	3,563	3,563
	<hr/>	<hr/>
Total liabilities	6,468,359	4,231,964
Commitments and contingencies (Note 9)		
Net assets:		
Without donor restrictions:		
Undesignated	2,032,220	349,294
Board-designated – reserve fund	905,559	905,906
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Total net assets without donor restrictions	2,937,779	1,255,200
With donor restrictions	10,818,671	12,005,193
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Total net assets	13,756,450	13,260,393
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Total liabilities and net assets	\$20,224,809	\$17,492,357

See notes to the financial statements.

American Rivers, Inc.

**Statements of Activities
Years Ended June 30, 2021 and 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support:						
State and local grants	\$ 3,947,087	\$ -	\$ 3,947,087	\$ 1,266,400	\$ -	\$ 1,266,400
Foundation grants	532,045	5,134,914	5,666,959	471,983	6,868,088	7,340,071
Contributions	4,051,909	1,249,486	5,301,395	2,441,992	1,062,278	3,504,270
Federal grants	1,269,778	-	1,269,778	1,670,305	-	1,670,305
Membership	1,401,788	-	1,401,788	1,256,047	-	1,256,047
Program service contracts	868,113	-	868,113	475,290	-	475,290
Corporate donations	268,574	129,000	397,574	541,439	231,890	773,329
Other	166,997	157,875	324,872	193,403	98,720	292,123
Investment income, net	50,329	601,289	651,618	29,861	60,725	90,586
Net assets released from restrictions	8,459,086	(8,459,086)	-	8,282,003	(8,282,003)	-
Total revenue, gains and other support	21,015,706	(1,186,522)	19,829,184	16,628,723	39,698	16,668,421
Expenses:						
Program services:						
River Restoration	4,837,024	-	4,837,024	5,166,829	-	5,166,829
Federal River Management	6,799,400	-	6,799,400	3,900,935	-	3,900,935
Clean Water Supply	1,429,707	-	1,429,707	1,554,553	-	1,554,553
River Protection	1,396,177	-	1,396,177	1,240,577	-	1,240,577
Total program expenses	14,462,308	-	14,462,308	11,862,894	-	11,862,894
Supporting services:						
Fundraising	2,794,533	-	2,794,533	2,767,782	-	2,767,782
Management and general	2,066,000	-	2,066,000	1,726,527	-	1,726,527
Total supporting expenses	4,860,533	-	4,860,533	4,494,309	-	4,494,309
Total expenses	19,322,841	-	19,322,841	16,357,203	-	16,357,203
Change in net assets before other items	1,692,865	(1,186,522)	506,343	271,520	39,698	311,218
Other item:						
Change in value of charitable gift annuities	(10,286)	-	(10,286)	(13,137)	-	(13,137)
Change in net assets	1,682,579	(1,186,522)	496,057	258,383	39,698	298,081
Net assets:						
Beginning	1,255,200	12,005,193	13,260,393	996,817	11,965,495	12,962,312
Ending	\$ 2,937,779	\$ 10,818,671	\$ 13,756,450	\$ 1,255,200	\$ 12,005,193	\$ 13,260,393

See notes to the financial statements.

American Rivers, Inc.

Statement of Functional Expenses
Year Ended June 30, 2021

						Supporting Services			
	Federal River Management	River Restoration	Clean Water Supply	River Protection	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Professional services	\$ 4,066,667	\$ 2,611,078	\$ 161,699	\$ 297,011	\$ 7,136,455	\$ 417,386	\$ 198,209	\$ 615,595	\$ 7,752,050
Salaries	1,157,418	879,446	656,624	583,048	3,276,536	1,083,113	999,477	2,082,590	5,359,126
Other employee benefits	415,603	316,069	238,424	211,127	1,181,223	371,682	347,746	719,428	1,900,651
Grants	746,342	725,050	196,415	130,807	1,798,614	-	-	-	1,798,614
Rent and occupancy	99,019	104,673	64,189	39,883	307,764	156,609	277,973	434,582	742,346
Payroll taxes	90,195	68,594	51,743	45,819	256,351	80,663	75,468	156,131	412,482
Postage and mailing	5,442	3,335	1,671	1,234	11,682	285,253	3,962	289,215	300,897
Printing and publications	35,467	22,507	5,779	15,862	79,615	212,689	6,872	219,561	299,176
Supplies	13,601	20,747	11,084	4,678	50,110	102,965	13,368	116,333	166,443
Retirement plan	35,318	26,860	20,261	17,942	100,381	31,585	29,551	61,136	161,517
Legal services	60,592	-	-	17,377	77,969	-	975	975	78,944
Other	14,742	10,308	3,547	3,364	31,961	1,444	33,165	34,609	66,570
Travel	21,972	27,756	-	11,502	61,230	9,748	306	10,054	71,284
Telecommunications	10,652	12,334	4,774	4,706	32,466	15,329	17,774	33,103	65,569
Conferences and meetings	17,035	3,175	10,267	10,288	40,765	9,128	174	9,302	50,067
Accounting fees	-	-	-	-	-	-	38,231	38,231	38,231
Equipment rental and maintenance	3,591	3,371	2,139	1,012	10,113	6,222	14,059	20,281	30,394
Depreciation and amortization	5,744	1,721	1,091	517	9,073	2,972	4,114	7,086	16,159
Professional fundraising fees	-	-	-	-	-	7,745	-	7,745	7,745
Donated services and materials	-	-	-	-	-	-	4,576	4,576	4,576
	\$ 6,799,400	\$ 4,837,024	\$ 1,429,707	\$ 1,396,177	\$14,462,308	\$ 2,794,533	\$ 2,066,000	\$ 4,860,533	\$19,322,841

See notes to the financial statements.

American Rivers, Inc.

Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services					Supporting Services			Total
	River Restoration	Federal River Management	Clean Water Supply	River Protection	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Salaries	\$ 981,443	\$ 1,126,104	\$ 648,108	\$ 592,402	\$ 3,348,057	\$ 1,026,053	\$ 855,889	\$ 1,881,942	\$ 5,229,999
Professional services	2,980,868	1,089,736	193,214	149,581	4,413,399	444,486	71,184	515,670	4,929,069
Other employee benefits	342,966	396,679	225,999	213,338	1,178,982	347,082	295,910	642,992	1,821,974
Grants	454,701	723,940	246,156	46,172	1,470,969	-	-	-	1,470,969
Rent and occupancy	128,377	109,249	76,436	46,574	360,636	152,321	241,555	393,876	754,512
Payroll taxes	85,976	99,441	56,654	53,481	295,552	87,008	74,180	161,188	456,740
Travel	72,566	114,511	42,752	64,855	294,684	47,008	10,687	57,695	352,379
Printing and publications	32,255	31,270	11,161	11,985	86,671	248,500	8,427	256,927	343,598
Postage and mailing	1,807	3,232	1,023	1,390	7,452	279,109	5,147	284,256	291,708
Retirement plan	29,212	33,786	19,249	18,171	100,418	29,562	25,203	54,765	155,183
Supplies	21,179	26,750	8,985	16,830	73,744	58,937	13,609	72,546	146,290
Conferences and meetings	15,740	26,233	13,857	13,931	69,761	16,889	16,866	33,755	103,516
Legal services	-	93,391	-	-	93,391	-	650	650	94,041
Telecommunications	10,633	13,820	6,172	4,903	35,528	14,211	17,765	31,976	67,504
Other	940	5,560	285	3,142	9,927	1,048	24,703	25,751	35,678
Accounting fees	-	-	-	-	-	-	40,239	40,239	40,239
Equipment rental and maintenance	4,570	4,173	2,759	1,489	12,991	6,028	12,869	18,897	31,888
Depreciation and amortization	3,596	3,060	1,743	2,333	10,732	2,880	3,449	6,329	17,061
Professional fundraising fees	-	-	-	-	-	6,660	-	6,660	6,660
Donated services and materials	-	-	-	-	-	-	8,195	8,195	8,195
	<u>\$ 5,166,829</u>	<u>\$ 3,900,935</u>	<u>\$ 1,554,553</u>	<u>\$ 1,240,577</u>	<u>\$11,862,894</u>	<u>\$ 2,767,782</u>	<u>\$ 1,726,527</u>	<u>\$ 4,494,309</u>	<u>\$16,357,203</u>

See notes to the financial statements.

American Rivers, Inc.

Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 496,057	\$ 298,081
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	16,159	17,061
Realized and unrealized gain on investments	(608,754)	(27,802)
Change in value of charitable gift annuities	10,286	13,137
Deferred rent	(35,387)	(19,121)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable – billed	(1,267,069)	(27,100)
Accounts receivable – unbilled	(318,592)	1,401,105
Grants and promises to give	1,043,125	3,130,255
Prepaid expenses and other current assets	47,949	(2,509)
Increase (decrease) in:		
Accounts payable and accrued expenses	2,132,515	(1,398,175)
Accrued salaries and related benefits	29,273	119,282
Refundable advances	118,933	1,299,605
Charitable gift annuities	(19,225)	(18,937)
Deposits payable	-	(6,862)
Net cash provided by operating activities	1,645,270	4,778,020
Cash flows from investing activities:		
Proceeds from sales of investments	267,522	125,879
Purchases of investments	(192,938)	(69,368)
Purchases of property and equipment	-	(11,731)
Net cash provided by investing activities	74,584	44,780
Net increase in cash and cash equivalents	1,719,854	4,822,800
Cash and cash equivalents:		
Beginning	9,059,704	4,236,904
Ending	\$10,779,558	\$ 9,059,704

See notes to the financial statements.

American Rivers, Inc.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: American Rivers, Inc. (American Rivers) protects wild rivers, restores damaged rivers, and conserves clean water for people and nature. American Rivers believes a future of clean water and healthy rivers for everyone, everywhere is essential. Since 1973, they have protected wild rivers, restored damaged rivers and conserved clean water for people and nature. With headquarters in Washington, D.C., and 300,000 supporters, members and volunteers across the country, they are the most trusted and influential river conservation organization in the United States, delivering solutions for a better future.

In 2021 alone, American Rivers worked in 34 states to ensure clean drinking water supplies, revitalize fish and wildlife habitat, improve recreation opportunities, and leave a legacy of healthy rivers for future generations. In addition to protecting 280 miles of rivers from damming and development, they removed six dams, restored more than 325 miles of river through dam removal, and galvanized volunteers to remove more than 1.1 million pounds of trash from their hometown rivers.

A summary of American Rivers' significant accounting policies follows:

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

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

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

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

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

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

American Rivers, Inc.

Notes to Financial Statements

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

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

Accounts receivable: American Rivers' accounts receivable consist primarily of progress billings to several state agencies. In addition, there are billings to various corporate sponsors and to other organizations for reimbursable expenditures. These receivables are valued at management's estimate of the amount that will ultimately be collected. The allowance for doubtful accounts is based on specific identification of uncollectible accounts and American Rivers' historical collection experience. At June 30, 2021 and 2020, management considers all accounts receivable to be fully collectible. Unbilled amounts represent costs incurred and estimated fees on contracts for which billings have not yet been presented. Typically, invoices are prepared either monthly or quarterly based on the prior month's or quarter's activities. When billed, these amounts are included in the statements of financial position as accounts receivable – billed.

Grants receivable and promises to give: Grants and promises to give reflect commitments made to American Rivers by various donors. Grants for which payments are to be received in future years have been discounted to their present value at 1%. Grants and pledges receivables are valued at management's estimate of the amount that will ultimately be collected. The allowance for doubtful grants and pledges receivable is based on specific identification of uncollectible accounts and American Rivers' historical collection experience. At June 30, 2021 and 2020, management elected not to record an allowance for doubtful grants and pledges receivable as all outstanding amounts were deemed to be collectible.

Property and equipment: American Rivers capitalizes all property and equipment with a cost of \$5,000 or more. Property and equipment are recorded at cost and depreciated on the straight-line basis over estimated lives of 3 to 10 years. Amortization of leasehold improvements is provided using the straight-line method of the lesser of the useful lives of the related assets or the term of the lease.

Refundable advances: Refundable advances represent funds received from governments and fees for service contracts in advance of incurring qualifying expenditures as well as the current PPP loan liability for which forgiveness is assumed.

Deferred rent: American Rivers recognizes the minimum rents required under a lease as rent expense on a straight-line basis over the term of the lease. Differences between amounts recorded as expense and amounts actually paid, are reported as deferred in the statements of financial position along with the unamortized landlord provided tenant improvement allowance (see Note 9).

Revenue recognition: In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. The new standard became effective for American Rivers' year ending June 30, 2021. The adoption of this ASU did not have a material impact on American Rivers' financial statements.

American Rivers, Inc.

Notes to Financial Statements

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

FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (an exchange transaction) or nonreciprocal (a contribution). ASU 2018-08 also provided guidance for distinguishing between conditional and unconditional contributions. American Rivers adopted the contributions received portion of the new standard effective for the year ended June 30, 2020, using the modified prospective method. American Rivers adopted the contributions made portion of the new standard during the year ending June 30, 2021. Based on management's review of its contributions, the timing of the amount of contributions recognized previously is consistent with how contributions are recognized under this new standard. Therefore, the adoption of this standard had no impact on American Rivers' financial statements, but the standard does require additional disclosures.

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

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

American Rivers has determined that funding received under government grants to be conditional contributions. As American Rivers incurs expenses that are allowed and recoverable in accordance with the grant agreements, the conditions are considered to have been met. Thus, contributions related to federal projects are recognized as costs qualified under the grants are incurred. Government funds received in advance of costs incurred, while rare, are recorded as refundable advances until expended for the purpose of the grant. Federal costs incurred in excess of funds received are recorded as grants receivable.

Revenue from all other sources is recognized when earned.

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

Notes to Financial Statements

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

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

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

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

Income taxes: American Rivers is exempt from payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code (IRC). American Rivers had no unrelated business income tax liability for the years ended June 30, 2021 and 2020, respectively.

Upcoming accounting pronouncements:

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for American Rivers's year ending June 30, 2023. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. American Rivers anticipates adopting the new standard during the year ending June 30, 2023, and is currently evaluating the impact of the adoption of the new standard on the financial statements.

American Rivers, Inc.

Notes to Financial Statements

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

In July 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendment is intended to increase transparency of contributed nonfinancial assets for not-for-profit entities through enhancements in presentation and disclosure requirements. Under the new ASU, not-for-profit entities will be required to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This ASU will be effective for American Rivers for the year ending June 30, 2022. The adoption of ASU 2020-07 is not expected to have a significant impact on the American Rivers' financial statements.

Subsequent events: Subsequent events have been evaluated through January 31, 2022, which is the date the audited financial statements were available to be issued.

Note 2. Fair Value Measurements and Investments

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

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

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

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

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

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

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

The estimated fair value of investments measured on a recurring basis are as follows at June 30, 2021:

	Level 1	Level 2	Level 3	Total
Investments, at fair value				
Mutual funds:				
Fixed income	\$ 202,876	\$ -	\$ -	\$ 202,876
Domestic equities	65,530	-	-	65,530
Exchange traded funds:				
Fixed income	406,960	-	-	406,960
Large cap equities	1,406,310	-	-	1,406,310
Small cap equities	11,411	-	-	11,411
International equities	330,586	-	-	330,586
Emerging markets	173,032	-	-	173,032
Real estate	79,408	-	-	79,408
	<u>\$ 2,676,113</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,676,113</u>
Investments, at cost				
money market funds				1,048,024
				<u>\$ 3,724,137</u>

The estimated fair value of investments measured on a recurring basis are as follows at June 30, 2020:

	Level 1	Level 2	Level 3	Total
Investments, at fair value				
Mutual funds:				
Fixed income	\$ 194,775	\$ -	\$ -	\$ 194,775
Domestic equities	77,267	-	-	77,267
Exchange traded funds:				
Fixed income	426,134	-	-	426,134
Large cap equities	1,037,288	-	-	1,037,288
Small cap equities	6,351	-	-	6,351
International equities	266,124	-	-	266,124
Emerging markets	131,664	-	-	131,664
Real estate	52,615	-	-	52,615
	<u>\$ 2,192,218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,192,218</u>
Investments, at cost				
money market funds				997,749
				<u>\$ 3,189,967</u>

American Rivers, Inc.

Notes to Financial Statements

Note 3. Grants and Promises to Give

Grants and promises to give consisted of the following at June 30, 2021 and 2020:

	2021	2020
Receivable in less than one year	\$ 1,743,014	\$ 2,738,429
Receivable in one to five years	400,000	448,679
	<u>2,143,014</u>	<u>3,187,108</u>
Less discount to net present value	(4,205)	(5,174)
	<u>\$ 2,138,809</u>	<u>\$ 3,181,934</u>

Note 4. Property and Equipment

Property and equipment consisted of the following at June 30, 2021 and 2020:

	2021	2020
Furniture and equipment	\$ 389,289	\$ 389,289
Leasehold improvements	40,869	40,869
	<u>430,158</u>	<u>430,158</u>
Less accumulated depreciation and amortization	(364,096)	(347,937)
	<u>\$ 66,062</u>	<u>\$ 82,221</u>

Depreciation and amortization expense for the years ended June 30, 2021 and 2020 was \$16,159 and \$17,061, respectively.

Note 5. Charitable Gift Annuities

American Rivers is the beneficiary of several charitable gift annuity agreements. American Rivers' interest in these charitable gift annuity agreements is reported as a contribution in the year received at its net present value. Total assets held under these agreements were \$349,311 and \$318,174 at June 30, 2021 and 2020, respectively. The fair values of the assets held in connection to the charitable gift annuities are included in investments on the statements of financial position. The value of the charitable gift annuity liabilities at June 30, 2021 and 2020 was \$155,800 and \$164,739, respectively. The liabilities related to the charitable gift annuities are determined by discounting expected future cash flows using interest rates for instruments with similar terms and maturities when they were initially received over the estimated remaining life expectancy of the identified beneficiaries.

American Rivers, Inc.

Notes to Financial Statements

Note 6. Net Assets With Donor Restrictions

Net assets with donor restrictions include those net assets whose use has been restricted by the donors for a specific purpose and/or a specified time limitation. Net assets with donor restrictions that were restricted for purpose consisted of the following at June 30, 2021 and 2020:

	2021	2020
River restoration	\$ 1,700,826	\$ 3,961,119
Federal river management	2,876,809	1,522,106
Other/time restricted	1,839,020	2,015,842
Endowment fund	2,681,635	2,178,255
Clean water supply	636,875	802,321
River protection	897,677	1,367,712
National river cleanup	185,829	157,838
	<u>\$10,818,671</u>	<u>\$ 12,005,193</u>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses which satisfied the restricted purposes or time limitations specified by the donors during the years ending June 30, 2021 and 2020, respectively:

	2021	2020
Federal river management	\$ 2,504,784	\$ 2,557,891
River restoration	2,564,757	2,292,964
Clean water supply	1,139,446	1,391,573
Other/time restricted	755,070	748,885
River protection	1,345,111	1,133,367
National river cleanup	47,009	58,890
Endowment fund appropriations	102,909	98,433
	<u>\$ 8,459,086</u>	<u>\$ 8,282,003</u>

Note 7. Endowment Fund

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

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

American Rivers, Inc.

Notes to Financial Statements

Note 7. Endowment Fund (Continued)

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

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

American Rivers has a donor-restricted Capital Campaign Endowment with net assets of \$2,681,635 and \$2,178,255 as of June 30, 2021 and 2020, respectively. American Rivers also has a board-designated operating reserve, which is considered a quasi-endowment and which had a net asset balance of \$905,559 and \$905,906 as of June 30, 2021 and 2020, respectively.

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

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

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

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

Funds with deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor originally contributed as an endowment fund to the American Rivers. There were no such deficiencies at June 30, 2021 and 2020, respectively.

American Rivers, Inc.

Notes to Financial Statements

Note 7. Endowment Fund (Continued)

The changes in endowment funds were as follows for the years ended June 30, 2021 and 2020:

	With Donor Restrictions			
	Without Donor Restrictions	Accumulated Earnings	Perpetual in Nature	Total
Balance at June 30, 2020	\$ 905,906	\$ 348,300	\$1,829,955	\$3,084,161
Contributions	-	-	5,000	5,000
Investment return, net of fees	(347)	601,289	-	600,942
	905,559	949,589	1,834,955	3,690,103
Appropriations	-	(102,909)	-	(102,909)
Balance at June 30, 2021	\$ 905,559	\$ 846,680	\$1,834,955	\$3,587,194

	With Donor Restrictions			
	Without Donor Restrictions	Accumulated Earnings	Perpetual in Nature	Total
Balance at June 30, 2019	\$ 892,872	\$ 386,008	\$1,827,955	\$3,106,835
Contributions	-	-	2,000	2,000
Investment return, net of fees	13,034	60,725	-	73,759
	905,906	446,733	1,829,955	3,182,594
Appropriations	-	(98,433)	-	(98,433)
Balance at June 30, 2020	\$ 905,906	\$ 348,300	\$1,829,955	\$3,084,161

Note 8. Retirement Plan

American Rivers sponsors a Section 403(b) tax-deferred annuity plan covering all employees. The plan participants are 100% vested upon entering the plan. Employees may participate in the plan immediately upon employment and become eligible for employer contributions after completing one full year of service. Under the terms of the plan, American Rivers makes quarterly contributions of 3% of each participant's quarterly compensation and may also contribute up to an additional 2% of compensation based on the level of an employee's voluntary contribution, if any. Contributions by American Rivers to the plan totaled \$161,517 and \$155,183 for the years ended June 30, 2021 and 2020, respectively.

Note 9. Commitments and Contingencies

Office space: American Rivers occupies office space in Washington, D.C. under an operating lease originally expiring October 31, 2026. The lease includes periods of rent abatement and escalating rent payments. In addition to base rent, American Rivers is responsible for its proportionate share of the building's operating expenses. American Rivers recognizes the total rent commitment on a straight-line basis over the term of the lease. The difference between the monthly payment and the rent expense recognized for financial statement purposes is recognized as a deferred rent liability in the financial statements. American Rivers also leases office space at other locations, as well as storage space and miscellaneous furnishings and equipment under various non-cancellable operating leases. Additionally, other office space for certain field offices is leased under month-to-month agreements. Total rent expense amounted to \$675,951 and \$694,998 for the years ended June 30, 2021 and 2020, respectively.

American Rivers, Inc.

Notes to Financial Statements

Note 9. Commitments and Contingencies (Continued)

Future minimum lease payments under the office leases are as follows:

Years ending June 30:	
2022	\$ 629,900
2023	579,000
2024	533,500
2025	544,800
2026	556,000
Thereafter	186,800
	<u>\$ 3,030,000</u>

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

Line of credit: American Rivers has a line of credit with a bank in the amount of \$750,000 which is renewable annually and collateralized by all property, equipment, inventory and receivables of American Rivers. Interest accrues at the bank's prime rate plus 1.75% per annum. There were no outstanding borrowings and no drawdowns on the line of credit as of and for the years ended June 30, 2021 and 2020, respectively.

Paycheck Protection Program Loan: During January 2021, American Rivers obtained a Paycheck Protection Program (PPP) loan from the Small Business Administration (SBA) totaling \$1,382,697. This loan has been recorded as a refundable advance on its 2021 financial statements in accordance with ASC 958-605. As such, American Rivers will recognize contribution revenue if the conditions to do so have substantially been met and loan forgiveness is granted by the SBA. The refundable advance will then be reduced and a contribution will be recorded, equal to the amount of the loan forgiveness.

During May 2020, American Rivers had obtained a Paycheck Protection Program (PPP) loan from the SBA totaling \$1,382,697 which was officially forgiven by the SBA during the year ended June 30, 2021 and as such, American Rivers recognized contribution revenue equal to the amount of the loan forgiveness was recorded in the statement of activities as no other conditions were present at the time the contribution revenue was recognized.

American Rivers, Inc.

Notes to Financial Statements

Note 10. Liquidity and Availability

The following represents American Rivers' financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general use within one year due to contractual or donor-imposed restrictions:

	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 10,779,558	\$ 9,059,704
Investments	3,724,137	3,189,967
Accounts receivable	3,307,339	1,721,678
Grants and promises to give, net	2,138,809	3,181,934
Subtotal financial assets	<u>19,949,843</u>	<u>17,153,283</u>
Less financial assets not available for general expenditure within one year:		
Donor-restricted net assets, excluding time-restricted net assets due within one year of \$25,000 and \$25,000, respectively	(10,793,671)	(11,980,193)
Split-interest agreements	(155,800)	(164,739)
Board-designated – reserve fund	(905,559)	(905,906)
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 8,094,813</u>	<u>\$ 4,102,445</u>

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

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

American Rivers, Inc.

Notes to Financial Statements

Note 11. Conditional Grants and Contributions

American Rivers received conditional contributions totaling \$8,827,427 related to American Rivers' federal awards. These contributions are contingent upon American Rivers carrying out activities meeting grantor-imposed barriers stipulated by American Rivers' federal grants.

The following provides a summary of the total grant commitments American Rivers has received along with the cumulative amount of funding provided from grant inception through June 30, 2021:

	Grant Amounts Awarded	Cumulative Amounts Recognized	Conditional Amounts to be Recognized
United States Department of Agriculture	\$ 1,296,032	\$ 626,073	\$ 669,959
United States Department of Commerce	3,891,956	2,874,875	1,017,081
United States Department of the Interior	2,262,816	967,301	1,295,515
Environmental Protection Agency	1,376,623	460,917	915,706
	<u>\$ 8,827,427</u>	<u>\$4,929,166</u>	<u>\$3,898,261</u>

Note 12. COVID

Subsequent to the coronavirus outbreak in 2020 in the United States, there has been substantial volatility in financial markets and the economy. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Association operates. Since this could have long lasting impacts on the Association, management will continue to review and adjust planned expenditures should it be determined the outbreak will significantly impact the statements of financial position and statements of activities of American Rivers.

American Rivers, Inc.

Uniform Guidance
Supplementary Financial Report
Year Ended June 30, 2021

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RSM US LLP

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

Independent Auditor's Report

Board of Directors
American Rivers, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the American Rivers, which comprise the statement of financial position as of June 30, 2021, 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 January 31, 2022.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of This Report

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

RSM VS LLP

Washington, D.C.
January 31, 2022



RSM US LLP

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

Independent Auditor's Report

Board of Directors
American Rivers

Report on Compliance for Each Major Federal Program

We have audited American Rivers' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of American Rivers' major federal programs for the year ended June 30, 2021. American Rivers' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of American Rivers' major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those auditing standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about American Rivers' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of American Rivers' compliance.

Opinion on Each Major Federal Program

In our opinion, American Rivers 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 June 30, 2021.

Report on Internal Control Over Compliance

Management of American Rivers is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered American Rivers' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of American Rivers' 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses, or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards

We have audited the financial statements of American Rivers as of and for the year ended June 30, 2021, and have issued our report thereon dated January 31, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

RSM US LLP

Washington, D.C.
January 31, 2022

American Rivers, Inc.

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Federal Agency Cluster <i>Pass Through Grantor</i> Program or Cluster Title	Assistant Listing Number	Pass-Through Identifying Number	Federal Expenditures	Amounts Provided to Subrecipients
U.S. Department of Agriculture				
Environmental Quality Incentives Program	10.912	N/A	\$ 28,825	\$ -
<i>United States Endowment for Forestry and Communities:</i>				
Soil and Water Conservation	10.902	68-3A75-16-1174, NR183A750022C004	8,810	-
Cooperative Forestry Assistance	10.664	N/A	36,747	-
<i>National Fish and Wildlife Foundation:</i>				
National Fish and Wildlife Foundation	10.683	0103.15.046703, 0103.16.051199, 0103.17.055357, P1696029	56,264	36,085
Conservation Stewardship Program	10.924	NR183A750022C004/0405.18. 061371	5,408	-
Regional Conservation Partnership Program	10.932	NR181320XXXXC017	3,606	-
Lassen NF Pine Creek	N/A	17-CS-11050600-027	18,662	-
Total U.S. Department of Agriculture			<u>158,322</u>	<u>36,085</u>
U.S. Department of Commerce				
<i>National Oceanic and Atmospheric Administration:</i>				
Habitat Conservation	11.463	N/A	315,640	-
U.S. Department of the Interior				
Fish and Wildlife Management Assistance	15.608	N/A	185,099	-
Coastal	15.630	N/A	49,750	-
Hurricane Sandy Disaster Relief Activities-FWS	15.677	N/A	156,513	-
<i>National Fish and Wildlife Foundation:</i>				
NFWF-USFWS Conservation Partnership	15.663	0103.16.051199, 405.15.049744, 1906.17.058630	39,948	-
Providing Water to At-Risk Natural Desert Terminal Lakes	15.508	R10AP20007, 0809.19.064487	83,664	-
National Park Service Conservation, Protection, Outreach, and Education	15.954	N/A	9,482	-
Total U.S. Department of the Interior			<u>524,456</u>	<u>-</u>
U.S. Environmental Protection Agency				
<i>National Fish and Wildlife Foundation:</i>				
The San Francisco Bay Water Quality Improvement Fund	66.126	N/A	271,360	-
Total U.S. Environmental Protection Agency			<u>271,360</u>	<u>-</u>
Total expenditures of federal awards			<u>\$1,269,778</u>	<u>\$ 36,085</u>

See notes to schedule of expenditures of federal awards.

American Rivers, Inc.

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal program activity of American Rivers for the year ended June 30, 2021. The information in the SEFA is presented in accordance with the requirements of Title 2, U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of American Rivers, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of American Rivers.

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

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Costs

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

American Rivers allocates indirect costs to Federal Awards based on an approved rate that has been established directly with the U.S. Department of Commerce. The approved rate in effect for the year ended June 30, 2021, was 19.00%.

American Rivers, Inc.

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

Section I – Summary of Independent Auditor’s Results

Financial Statements

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

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal program:

Material weakness(es) identified?	<u> </u> Yes	<u> X</u> No
Significant deficiency(ies) identified that are not material weakness(es)?	<u> </u> Yes	<u> X</u> None Reported

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

Unmodified

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

 Yes X No

Identification of major programs:

Assistance Listing Number
11.463

Name of Federal Program
Habitat Conservation

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

Federal Awards \$ 750,000

Auditee qualified as low-risk auditee?

 X Yes No

(Continued)

American Rivers, Inc.

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2021

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

American Rivers, Inc.

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021**

There are no findings from the prior audit to be reported on this schedule.