



POTOMAC
RIVERKEEPER[®]
NETWORK



FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024



Independent Auditor's Report

The Board of Directors
Potomac Riverkeeper Network, Inc.
Washington, D.C.

Opinion

We have audited the accompanying financial statements of Potomac Riverkeeper Network, Inc. (the 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 notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Potomac Riverkeeper Network, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

The Board of Directors
Potomac Riverkeeper Network, Inc.
Washington, D.C.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 the Organization'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 the Organization'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 The Potomac Riverkeeper Network, Inc.'s 2023 financial statements and we expressed unmodified audit opinion on those audited financial statements in our report dated November 14, 2024. 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.

Bethesda, Maryland
January 30, 2026


Certified Public Accountants

Potomac Riverkeeper Network, Inc.

Statement of Financial Position

December 31, 2024

With Comparative Totals As of December 31, 2023

	Assets	2024	2023
Current Assets			
Cash and Cash Equivalents (Note 2)		\$ 1,280,464	\$ 878,987
Contributions Receivable (Note 2)		29,095	25,585
Pledge Receivable In-Kind Rent (Notes 2 and 8)		129,132	125,371
Prepaid Expenses		18,511	30,640
Total Current Assets		<u>1,457,202</u>	<u>1,060,583</u>
Property and Equipment, Net (Notes 2 and 4)		135,663	63,912
Pledge Receivable In-Kind Rent (Notes 2 and 8)		696,532	790,109
Security Deposits		6,000	6,000
Total Assets		<u>\$ 2,295,397</u>	<u>\$ 1,920,604</u>
	Liabilities and Net Assets		
Current Liabilities			
Accounts Payable and Accrued Expenses		\$ 102,990	\$ 143,378
Total Current Liabilities - Total Liabilities		<u>102,990</u>	<u>143,378</u>
Net Assets			
Without Donor Restrictions (Note 2 and 6)		1,264,197	895,044
With Donor Restrictions (Note 2 and 6)		928,210	882,182
Total Net Assets		<u>2,192,407</u>	<u>1,777,226</u>
Total Liabilities and Net Assets		<u>\$ 2,295,397</u>	<u>\$ 1,920,604</u>

See Accompanying Notes to Financial Statements

Potomac Riverkeeper Network, Inc.

**Statement of Activities
For the Year Ended December 31, 2024**

With Comparative Totals For the Year Ended December 31, 2023

	<u>2024</u>			<u>2023</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Support and Revenues				
Contributions (Note 2)	\$ 1,706,041	\$ 315,630	\$ 2,021,671	\$ 1,375,049
In-Kind Contributions (Notes 2 and 7)	778,534	-	778,534	1,389,898
Special Events	338,606	-	338,606	289,884
Program Fees	42,390	-	42,390	15,087
Interest	46,687	-	46,687	30,516
Other	252,709	-	252,709	15,522
Net Assets Released from Restrictions	269,602	(269,602)	-	-
Total Support and Revenues	<u>3,434,569</u>	<u>46,028</u>	<u>3,480,597</u>	<u>3,115,956</u>
Expenses				
Program Services				
Lower Potomac Riverkeeper	41,227	-	41,227	1,263,496
Shenandoah Riverkeeper	252,980	-	252,980	305,656
Upper Potomac Riverkeeper	111,913	-	111,913	225,696
Watershed Program	2,109,356	-	2,109,356	1,162,393
Total Program Services	<u>2,515,476</u>	<u>-</u>	<u>2,515,476</u>	<u>2,957,241</u>
Supporting Services				
General and Administrative	222,620	-	222,620	141,080
Fundraising	327,320	-	327,320	424,055
Total Supporting Services	<u>549,940</u>	<u>-</u>	<u>549,940</u>	<u>565,135</u>
Total Expenses	<u>3,065,416</u>	<u>-</u>	<u>3,065,416</u>	<u>3,522,376</u>
Changes in Net Assets	369,153	46,028	415,181	(406,420)
Net Assets, Beginning of Period	895,044	882,182	1,777,226	2,183,646
Net Assets, End of Period	<u>\$ 1,264,197</u>	<u>\$ 928,210</u>	<u>\$ 2,192,407</u>	<u>\$ 1,777,226</u>

See Accompanying Notes to Financial Statements

Potomac Riverkeeper Network, Inc.

**Statement of Functional Expenses
For the Year Ended December 31, 2024
With Comparative Totals For the Year Ended December 31, 2023**

	2024							2023	
	Program Services				Supporting Services				
	Lower Potomac Riverkeeper	Shenandoah Riverkeeper	Upper Potomac Riverkeeper	Watershed Program	Total Program Services	General and Administrative	Fundraising	Total	Total
Personnel Costs	\$ 33,596	\$ 198,542	\$ 72,589	\$ 857,518	\$ 1,162,245	\$ 152,272	\$ 64,056	\$ 1,378,573	\$ 1,250,515
Professional Fees	-	5,819	5,100	1,013,467	1,024,386	635	41,493	1,066,514	1,673,019
Meetings and Conferences	97	2,297	285	15,194	17,873	3,473	185,470	206,816	188,822
Travel	148	13,598	7,613	15,765	37,124	5,567	500	43,191	36,471
Office Expense	82	3,496	14,524	38,863	56,965	13,681	21,366	92,012	94,340
Occupancy	3,056	18,056	6,601	77,985	105,698	13,848	5,825	125,371	121,719
Insurance	805	4,758	1,740	20,551	27,854	2,874	-	30,728	49,136
Depreciation and Amortization	891	5,274	1,928	22,779	30,872	4,047	1,702	36,621	67,813
Dues and Subscriptions	-	355	1,533	4,155	6,043	21,538	5,971	33,552	27,101
Advertising and Promotion	-	109	-	942	1,051	4,670	196	5,917	7,182
Boat Expenses	2,552	676	-	42,137	45,365	15	741	46,121	6,258
Total Expenses	\$ 41,227	\$ 252,980	\$ 111,913	\$ 2,109,356	\$ 2,515,476	\$ 222,620	\$ 327,320	\$ 3,065,416	\$ 3,522,376

See Accompanying Notes to Financial Statements

Potomac Riverkeeper Network, Inc.

**Statement of Cash Flows
For the Year Ending December 31, 2024
With Comparative Totals For the Year Ended December 31, 2023**

	2024	2023
Cash Flows from Operating Activities		
Change in Net Assets	\$ 415,181	\$ (406,420)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	36,621	67,813
Pledge Receivable In-Kind Rent	89,816	82,300
In-Kind Equipment Contributions	(100,000)	-
<u>(Increase) Decrease in Assets</u>		
Contributions Receivable	(3,510)	57,615
Prepaid Expenses	12,129	(19,062)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	(40,388)	53,351
Net Cash Provided by (Used in) Operating Activities	409,849	(164,403)
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(8,372)	(17,022)
Net Cash Provided By (Used in) Investing Activities	(8,372)	(17,022)
Net Increase (Decrease) in Cash and Cash Equivalents	401,477	(181,425)
Cash and Cash Equivalents, Beginning of Period	878,987	1,060,412
Cash and Cash Equivalents, End of Period	\$1,280,464	\$ 878,987
Non-Cash Investing Activity		
In-kind Contribution of Equipment	\$ 100,000	
See Accompanying Notes to Financial Statements		

Potomac Riverkeeper Network, Inc.

Notes to Financial Statements December 31, 2024

1. ORGANIZATION AND PURPOSE

Potomac Riverkeeper Network, Inc. (the Organization), was incorporated in 2000 under the laws of the state of Maryland as a not-for-profit non-stock corporation. The Organization's mission is to work to protect the public's right to clean water in our rivers and streams, stop pollution to promote safe drinking water, and protect healthy river habitats. The Organization has four active programs:

- Lower Potomac Riverkeeper
- Shenandoah Riverkeeper
- Upper Potomac Riverkeeper
- Watershed Program

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires the Organization to report information regarding its financial position and activities according to the accrual basis of accounting and to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the Board of Directors.

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Use of Estimates

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Accordingly, actual results could differ from those estimates.

Cash Equivalents

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Potomac Riverkeeper Network, Inc.

Notes to Financial Statements December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Pledges Receivable

Contributions receivable are recorded at the amount the Organization expects to collect on balances outstanding at the end of the fiscal year. Management closely monitors contributions and pledges receivable and charges off any balances that are determined to be uncollectible. As of December 31, 2024, the Organization did not have an allowance for uncollectible amounts. The Organization had no bad debt expense for the year ended December 31, 2024. Contributions receivable are expected to be collected within one year.

The pledge receivable for in-kind rent due in more than one year is recorded at present value of estimated cash flows using the appropriate discount rate.

Property and Equipment

Property and equipment are stated at cost, if purchased, or fair value, if donated. Depreciation is calculated on a straight-line basis over a three- or five-year estimated useful life. Leasehold improvements are amortized over the life of the lease. The Organization capitalizes property and equipment purchases of \$500 or more.

Revenue Recognition

Contributions are recognized as revenue at the earlier of when they are received or when the Organization has received an unconditional promise to give a specific amount. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Revenue from grants that are considered conditional contributions are recorded in the statement of activities as part of contributions when the conditions have been met.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, employee benefits, and other personnel expenses, rent costs, insurance, and office expenses. The basis of the allocations is direct salary costs which have been allocated to program and supporting functions based on documentation of employee time and effort. Expenses that can be directly attributed to an activity are presented accordingly.

Potomac Riverkeeper Network, Inc.

Notes to Financial Statements December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The Organization is exempt under Section 501(c)(3) of the Internal Revenue Code (the Code) from the payment of taxes on income other than unrelated business income. No provision for income tax is required for the year ended December 31, 2024, as the Organization had no net unrelated business income. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

The Organization requires that a tax position be recognized or derecognized based on a "more likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return.

The Organization does not believe its financial statements include, or reflect, any uncertain tax positions. The Organization's IRS Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by taxing authorities generally for three years after filing.

Comparative Information

The financial statements include certain prior-year summarized information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Subsequent Events

The Organization has evaluated subsequent events through January 30, 2026, the date on which the financial statements were available to be issued.

3. CONTINGENCIES AND CONCENTRATIONS

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and cash equivalents. The Organization maintains cash deposit and transaction accounts, with financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any credit losses on its cash and cash equivalents to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

As of December 31, 2024, approximately 97% of contributions and pledge receivables consist of amounts due from one donor. For the year ended December 31, 2024 approximately 83% of the In-Kind Donations were from four donors.

Potomac Riverkeeper Network, Inc.

Notes to Financial Statements December 31, 2024

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2024:

Furniture and Equipment	\$ 204,731
Watercraft	346,654
Leasehold Improvements	<u>19,770</u>
Total	571,155
Less Accumulated Depreciation and Amortization	<u>(435,492)</u>
Property and Equipment, Net	<u>\$ 135,663</u>

Depreciation and amortization expense was \$36,621 for the year ended December 31, 2024.

5. LINE OF CREDIT

The Organization has a \$100,000 line of credit with a bank that expires in September 2026. The line bears interest at the bank's prime rate (7.5% at December 31, 2024) and is due on demand. The line is secured by the Organization's cash and accounts receivable. There was no balance of the line of credit at December 31, 2024.

6. NET ASSETS

The Organization's Board of Directors has designated a portion of the net assets without donor restrictions as a reserve fund. The funds are available for general purposes and subject to Board approval. The balance as of December 31, 2024, was \$678,033.

The board designated net assets are invested in money market accounts. The Board of Directors has not established an investment return for these designated net assets. The investment objectives are to create financial stability by preservation of capital.

Net assets with donor restrictions for the year ended December 31, 2024 was as follows:

	<u>2023</u>	<u>Contributions</u>	<u>Releases</u>	<u>2024</u>
Coal Ash	\$ -	\$ 135,000	\$ (61,211)	\$ 73,789
Clean Water	9,085	90,000	(47,755)	51,330
Community Engagement	-	90,630	(5,830)	84,800
In-Kind Rent	833,097	-	(114,806)	718,291
Time - Restricted	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>
Total	<u>\$ 882,182</u>	<u>\$ 315,630</u>	<u>\$(269,602)</u>	<u>\$ 928,210</u>

Potomac Riverkeeper Network, Inc.

Notes to Financial Statements December 31, 2024

7. IN-KIND CONTRIBUTIONS

The Organization recognizes contribution revenue for certain services, equipment, and supplies at their fair value. The amounts recorded in the accompanying statement of activities include the following:

Legal Services	\$ 649,659
Equipment	100,000
Boat Expense	27,925
Goods used in Programs	950
Total	<u>\$ 778,534</u>

Contributed legal services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. The Organization receives contributed legal services that are reported using the attorney's standard billing rates that ranged from \$380 to \$1,300 an hour. The pro bono legal environmental work performed primarily by the law school staff members and students at The University of Maryland, Georgetown University, Columbia University, and Widener University, as well as non-profit clinics Earth Justice and Public Justice, and private law firms.

8. IN-KIND RENT

The Organization leases office space in a building owned by a member of the Board of Directors.

No rental payments are required under the lease provided the Organization maintains its tax exempt status under Section 501(c)(3) of the Internal Revenue Code. The lease also stipulates that other occupancy costs including utilities and real estate taxes will be paid by the donor. The lease is in effect through August 31, 2031.

At December 31, 2024, pledge receivable is recorded in the accompanying financial statements as follows:

In One Year or Less	\$ 129,132
Between One and Five Years	556,444
Thereafter	251,475
Less Discount to Present Value	<u>(111,387)</u>
Total	<u>\$ 825,664</u>

At December 31, 2024, the pledge receivable due in more than one year is reflected at the present value of estimated future cash flows using a discount rate of 5%. The outstanding balance is restricted for future periods and is included in the net assets with donor restrictions balance at December 31, 2024.

Rent expenses recognized on the amortization of the pledge receivable was \$125,371 for the year ended December 31, 2024.

Potomac Riverkeeper Network, Inc.

Notes to Financial Statements December 31, 2024

9. RETIREMENT PLANS

The Organization maintains a 403(b) retirement plan for its employees. All employees of the Organization are eligible to participate by electing to make salary deferrals up to the maximum allowed by law. Employees completing six months of service qualify for employer contributions of up to 3% of employee's salary. The employer contributions are at the discretion of the Board of Directors. Total expense under these plans for the year ended December 31, 2024 was \$25,437.

10. LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets at December 31, 2024:

Financial Assets at Year End:

Cash and Cash Equivalents	\$ 1,280,464
Contributions Receivable	29,095
Pledges Receivable	<u>825,664</u>
Total Financial Assets	<u>2,135,223</u>

Less: Restricted Amounts Not Available To Be Used Within One Year:

Donor-Restricted Amounts - Purpose and Time Restricted	(928,210)
Donor-Restricted Amounts To Be Used Over the Next Twelve Months	<u>339,051</u>
	<u>(589,159)</u>

Financial Assets Available to Meet General Expenditures

Over the Next Twelve Months	<u>\$ 1,546,064</u>
-----------------------------	---------------------

The Organization manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due.