FRIENDS OF THE RIVER FOUNDATION

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2025

Puzdrak and Stortz LLC

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FRIENDS OF THE RIVER FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
Friends of the River Foundation

Opinion

We have audited the accompanying financial statements of Friends of the River Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of the River Foundation as of December 31, 2025, and the changes in its net assets and cash flows for the year then ended in conformity 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 Friends of the River Foundation 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.

Responsibility of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Friends of the River Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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.

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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 Friends of the River Foundation'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 Friends of the River Foundation'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.

Puzdrak and Stortz LLC

Austin, Texas
November 2, 2026

FRIENDS OF THE RIVER FOUNDATION

STATEMENT OF FINANCIAL POSITION

December 31, 2025

ASSETS		
Cash and cash equivalents	$	282,067
Restricted cash		283,385
Investments		580,466
Accounts receivable, net		25,518
Contributions receivable, net		50,088
Prepaid expenses and other assets		15,701
Beneficial interest in endowment fund, held at Placer Community Foundation - restricted		121,554
Operating lease right-of-use assets, net		62,389
Property and equipment, net		1,807
TOTAL ASSETS	$	1,422,975
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	60,560
Accrued liabilities		114,613
Funds held for others		32,228
Operating lease liabilities		67,880
EIDL loan payable		136,743
TOTAL LIABILITIES		412,024
COMMITMENTS AND CONTINGENCIES		-
NET ASSETS		
Without donor restrictions		759,794
With donor restrictions		251,157
TOTAL NET ASSETS		1,010,951
TOTAL LIABILITIES AND NET ASSETS	$	1,422,975

See accompanying notes to the financial statements.

FRIENDS OF THE RIVER FOUNDATION

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Grants and contributions	$ 572,458	$ 311,100	$ 883,558
Contributions of nonfinacial assets	124,874	-	124,874
Special event revenues, less cost of direct benefits to donors of $42,649	114,076	-	114,076
Investment return, net	31,569	13,167	44,736
Net assets released from restrictions	342,229	(342,229)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	1,185,206	(17,962)	1,167,244
EXPENSES			
Program services	1,018,787	-	1,018,787
Supporting services			
Fund development	90,976	-	90,976
General and administrative	95,112	-	95,112
Total supporting services	186,088	-	186,088
TOTAL EXPENSES	1,204,875	-	1,204,875
CHANGE IN NET ASSETS	(19,669)	(17,962)	(37,631)
NET ASSETS AT BEGINNING OF YEAR	779,463	269,119	1,048,582
NET ASSETS AT END OF YEAR	$ 759,794	$ 251,157	$ 1,010,951

See accompanying notes to the financial statements.

FRIENDS OF THE RIVER FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2025

	Program Services	Fund Development	General & Administrative	Cost of Direct Benefits to Donors	Total
Salaries and wages	$ 533,171	$ 45,923	$ 39,216	$ -	$ 618,310
Employee benefits	30,552	7,769	9,541	-	47,862
Payroll taxes	43,133	3,863	3,767	-	50,763
TOTAL SALARIES AND RELATED EXPENSES	606,856	57,555	52,524	-	716,935
Rent	10,221	7,394	728	4,125	22,468
Accounting fees	-	-	11,850	-	11,850
Contract services	330,105	15,309	17,462	4,606	367,482
Printing & publication	823	2,804	-	980	4,607
Licenses & fees	2,258	245	932	23	3,458
Bank & payroll charges	3,160	4,326	1,397	657	9,540
Supplies	27,701	2,005	3,438	721	33,865
Telephone, fax & email	5,454	255	306	-	6,015
Insurance	8,194	-	966	-	9,160
Books & subscriptions	451	291	100	79	921
Equipment repair & mainenance	542	301	-	1,143	1,986
Meals & entertainment	13,932	-	171	30,173	44,276
Postage & shipping	55	-	-	-	55
Advertising & promotion	4,110	237	-	66	4,413
Travel & mileage	1,034	16	179	-	1,229
Equipment lease & rental	3,183	238	765	76	4,262
Interest expense	-	-	4,294	-	4,294
Depreciation expense	708	-	-	-	708
TOTAL EXPENSES BY FUNCTION	1,018,787	90,976	95,112	42,649	1,247,524
Less expenses included with revenues on the statement of activities					
Cost of direct benefits to donors	-	-	-	(42,649)	(42,649)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION ON THE STATEMENT OF ACTIVITIES	$ 1,018,787	$ 90,976	$ 95,112	$ -	$ 1,204,875

See accompanying notes to the financial statements.

FRIENDS OF THE RIVER FOUNDATION

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$	(37,631)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		708
Noncash lease expense		(569)
Donated equity securities		(18,762)
Change in beneficial interests in assets held by others		(13,168)
Changes in operating assets and liabilities:		
Accounts receivable		2,022
Contributions receivable		(16,760)
Prepaid expenses and other assets		(6,797)
Accounts payable		47,540
Accrued liabilities		89,163
Funds held for others		(2,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES		43,216
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for purchases of investments		(1,030,000)
Proceeds from sale of investments		851,529
NET CASH USED IN INVESTING ACTIVITIES		(178,471)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt		(3,869)
NET CASH USED IN FINANCING ACTIVITIES		(3,869)
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH		(139,124)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR		704,576
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	$	565,452
SUPPLEMENTARY INFORMATION:		
Cash paid for income taxes	$	-

See accompanying notes to the financial statements.

FRIENDS OF THE RIVER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE A - ORGANIZATION

Friends of the River Foundation (the Foundation) based in Sacramento, California, is a not-for-profit organization incorporated in 1976 under the laws of the State of California. The specific and primary purpose for which the organization was formed is for the preservation, protection, and restoration of rivers, streams, and their watersheds, through public education, citizen activist training and organizing, and expert advocacy to influence public policy.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according 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 the Foundation's 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 Foundation 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 statements of activities.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash, Cash Equivalents and Restricted Cash: For purposes of the statement of cash flows, the Foundation considers all cash and highly liquid financial instruments with a maturity of three months or less at the time of purchase to be cash and cash equivalents.

Grants, Contributions and Contributions Receivable: Grants and contributions are recognized when cash, securities, or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Assets received with donor-imposed conditions are reported as "Refundable Advances" in the Statement of Financial Position until the conditions have been substantially met.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Based on historical experience, an assessment of economic conditions, and a review of subsequent collections, management expects all such contributions to be collectible. Accordingly, no allowance for uncollectible contributions has been established as of December 31, 2025.

Contribution of Nonfinancial Assets: Donated services and facilities are recognized as public support and as a corresponding expense at the estimated fair value on the date donated. Donated services and facilities are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with these skills, and would otherwise be purchased by the Foundation. During 2025, the contributed nonfinancial assets consisted of contributed professional services from a highly skilled professional for assisting in management activities. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

Fair Value: The Foundation applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establishes a fair value hierarchy that prioritizes the information used in developing fair value estimates, and require disclosure of fair value measurements by level within the fair value hierarchy. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

Level 1: Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market date.

Level 3: Unobservable inputs reflecting the reporting entity's own assumptions, which require the most judgment.

Investments: The Foundation carries investments in marketable securities at their fair values in the Statement of Financial Position. Purchases and sales of securities are reflected on a trade-date basis. Unrealized and realized gains and losses are included in the accompanying Statement of Activities. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date. Investment income and gains restricted by a donor are reported as increases or decreases in net assets with or without donor restrictions depending on the nature of the restrictions.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Property and Equipment: The Foundation capitalizes all expenditures for property and equipment in excess of $2,500. Purchased property and equipment are carried at cost. Donated fixed assets are recorded at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the assets.

Functional Allocation of Expenses: Expenses that can be identified with a specific program or supporting service are charged directly to the related program or service. Expenses associated with more than one program or supporting service are allocated to functional categories using allocation methods appropriate to the nature of the expense, including personnel, space, time and other factors.

Income Tax Status: The Foundation is a not-for-profit organization exempt from income taxes under Internal Revenue Code Section 501(c)(3), and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been made.

Uncertainty in Income Taxes: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Foundation to report information regarding its exposure to various tax positions taken by the Foundation. The Foundation has determined whether any tax positions have met the recognition threshold and have measured the exposure to those tax positions. Management believes that the Foundation has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Foundation are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Financial Instruments and Credit Risk: The Foundation manages deposit concentrations risk by placing cash, money market accounts, and certificates of deposits with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts. Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from organizations supportive of our mission.

NOTE C – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Following is a description of the valuation methodologies used for investments measured at fair value during the years ended December 31, 2025.

U.S. Securities: Valued at closing price reported on the active market on which the individual securities are traded.

Certificates of Deposit and U.S. Government Obligations: Valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions.

NOTE C – INVESTMENTS AND FAIR VALUE MEASUREMENTS – Continued

Beneficial interest in endowment funds held at Placer Community Foundation: The beneficial interest in endowment funds held at the Community Foundation has been valued, as a practical expedient, at the fair value of the Foundation's share of the Community Foundation's investment pool as of the measurement date. The Community Foundation values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the Community Foundation, which includes private placements and other securities for which prices are not readily available, are determined by the management of the Community Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the valuation methods are appropriate and consistent within the industry, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying balance sheet measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall as of December 31, 2025:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ -	$ 580,466	$ -	$ 580,466
Beneficial interest in endowment funds held at Placer Community Foundation	-	-	121,554	121,554
Total	$ -	$ 580,466	$ 121,554	$ 702,020

Beneficial Interest

The Foundation has transferred assets to the Placer Community Foundation (the Community Foundation) to establish a Permanently Endowed Designated Fund (the Endowment Fund) (see Note I). The agreement states that the transfer is irrevocable and that the assets will not be returned to the Foundation. The Community Foundation will make distributions of income earned on the funds to the Foundation, subject to the Foundations spending policy. The Foundation has granted the Community Foundation variance power which allows the Community Foundation, at its sole discretion and subject to certain conditions, to modify any condition or restriction on the distribution of funds. The Foundation reports the fair value of the Endowment Fund as beneficial interest in endowment fund held at Placer Community Foundation in the statement of financial position and reports distributions received as investment income. Changes in the value of the fund are reported as gains or losses in the statement of activities.

NOTE C – INVESTMENTS AND FAIR VALUE MEASUREMENTS – Continued

Changes in the fund for the years ended December 31, 2025:

Balance, beginning of year	$	108,386
Reinvested interest and dividends		2,727
Change in value, net		12,155
Administrative fees		(1,714)
Balance, end of year	$	121,554

NOTE D – FIXED ASSETS

Property and equipment consist of the following at December 31, 2025:

Rafts	$	28,428
Office Equipment		7,048
Total Property and Equipment		35,476
Less: accumulated depreciation		(33,669)
Total	$	1,807

NOTE E – LOAN PAYABLE

Economic Injury Disaster Loan

On June 5, 2020, the Foundation executed a secured loan with the U.S. Small Business Administration ("SBA") under its Economic Injury Disaster Loan ("EIDL") assistance program, which was expanded pursuant to the CARES Act. The principal amount of the EIDL Loan is $150,000, with proceeds to be used for working capital purposes. The loan is secured by all tangible and intangible assets of the Foundation. Interest on the EIDL Loan accrues at a rate of 2.75% per annum. Installment payments, including principal and interest, are due monthly beginning June 15, 2021 in the amount of $641. The balance of principal and interest is payable thirty years from the date of the EIDL Loan.

Annual principal on the loan is due as follows:

Year ended December 31,		
2025	$	3,981
2026		4,093
2027		4,207
2028		4,324
2029		4,445
Thereafter		115,693
Total	$	136,743

NOTE F – LEASES

The Foundation leases an office facility under a long-term non-cancelable operating lease agreement. The leases expire in 2028. We include in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. Our operating lease provides for increases in future minimum annual rental payments.

The weighted-average discount rate is based on the discount rate implicit in the lease. We have elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. We have applied the risk-free rate option to the office facility.

We have elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

We elected the practical expedient to not separate lease and non-lease components for a real estate and office equipment leases.

Operating leases costs were $23,178 during 2025. As of December 31, 2025 the weighted-average remaining lease term is 2.8 years, and the weighted average discount rate is 4.52%.

Future minimum lease payments under these operating leases as of December 31, 2025 were as follows:

2026	$	25,753
2027		26,568
2028		20,181
2029		-
Thereafter		-
Total future minimum lease payments	$	72,502
Less: imputed interest		(4,622)
Total operating lease liabilities	$	67,880

NOTE G – COMMITMENTS AND CONTINGENCIES

Contingencies

The Foundation has been awarded certain grants and contracts and is subject to financial and compliance requirements of the grantors or their representatives. The amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time although management does not expect such amounts, if any, to materially affect the financial statements.

NOTE G – COMMITMENTS AND CONTINGENCIES – Continued

Legal Matters

The Foundation is involved in legal proceedings, claims and compliance matters arising in the ordinary course of business. The Foundation records a provision in its financial statements when it is determined that an unfavorable outcome in one of these matters is probable and the amount of the loss can be reasonably estimated. The Foundation believes that the potential liability, if any, in excess of amounts already accrued for these contingencies will not have a material effect on its financial position, cash flows or results of operations when resolved in a future period.

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of grants, contributions and other funding received for the purpose of fulfilling the Foundation's primary mission. Net assets with donor restrictions also consist of endowment funds held to support the mission of the Foundation.

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2025:

Subject to Expenditure for Specified Purpose:		
River protection	$	129,603
Total Subject to Expenditure for Specified Purpose:		129,603
Endowments (See Note I):		
Subject to endowment spending policy and appropriation:		
River protection		40,065
Perpetual in nature, earnings from which are subject to endowment spending policy or appropriation:		
Beneficial interest in endowment fund held by Community Foundation		81,489
Total Endowments		121,554
Total net assets with donor restrictions	$	251,157

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors:

Purpose Restrictions Accomplished:		
River protection	$	342,229
Total restrictions released	$	342,229

FRIENDS OF THE RIVER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE I – ENDOWMENT FUND

In 2017, the Foundation transferred assets to the Community Foundation to establish the Endowment Fund, which is restricted to supporting the primary missions of the Foundation. The Board of Directors established a spending policy whereby 5% of the fair market value of the Endowment Fund balance is available to be distributed annually.

The Foundation is subject to the State of California's enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which governs the management and use of donor-restricted endowment funds held by charitable organizations. Accounting principles generally accepted in the United States provide guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of UPMIFA and also improve disclosures about an organization's endowment funds.

Consistent with UPMIFA and Board policy, the Foundation classifies as net assets with donor restrictions the original value of gifts (including subsequent gifts) of donor-restricted endowment and, if applicable, accumulations of donor-restricted endowments as required by the donor. Accumulated earnings of donor-restricted endowments are classified as net assets with donor restrictions until distributed in accordance with UPMIFA and Board policy.

The Trustees have adopted an investment policy which governs the management and oversight of the Foundation's Endowment Fund and other investments. Foundation assets are diversified appropriately using Modern Portfolio Theory concepts, as required by UPMIFA. The endowment funds are invested in a well-diversified asset mix by the Community Foundation, which includes equity and debt securities.

The following represents the changes in beneficial interest in endowment fund net assets for the year ended December 31, 2025:

Endowment net assets, beginning of year	$	108,386
Contributions		-
Investment gain, net		14,882
Administrative fees		(1,714)
Endowment net assets, end of year	$	121,554

As of December 31, 2025 we had the following endowment net asset composition by type of fund:

Donor restricted endowment funds		
Original donor-restricted and additional gift amounts required to be maintained in perpetuity by donor	$	81,489
Accumulated investment gains (losses)		40,065
Total donor-restricted endowment funds	$	121,554

FRIENDS OF THE RIVER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE J – AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets at December 31, 2025:

Financial assets at year-end:		
Cash and cash equivalents	$	282,067
Restricted cash		283,385
Investments		580,466
Accounts receivable, net		25,518
Contributions receivable, net		51,288
Appropriation from beneficial interest in endowment fund held by Community Foundation		121,554
Total financial assets		1,344,278
Less amounts not available to be used within one year:		
Contractual or donor-imposed restrictions:		
Beneficial interest in endowment fund held by Community Foundation		121,554
Restricted by donor with purpose restriction		129,603
Funds held for others		32,228
		283,385
Financial assets available to meet general expenditures within one year	$	1,060,893

The Foundation's goal is to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested.

NOTE K – RELATED PARTY TRANSACTIONS

The Foundation stores all boating equipment in a rented shed and holds river advocacy training school events at Camp Lotus, which is owned by a member of the Board of Directors. Amounts paid to Camp Lotus for these services are at a discounted rate. For the year ended December 31, 2025, the Foundation paid $9,432.

NOTE L – SUBSEQUENT EVENTS

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through November 2, 2026, the date that the financial statements were available to be issued.