

**PRAIRIE RIVERS NETWORK
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAAconnect.com

**PRAIRIE RIVERS NETWORK
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7



INDEPENDENT AUDITORS' REPORT

Board of Directors
Prairie Rivers Network
Champaign, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Prairie Rivers Network (the Organization) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 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 GAAS, 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.



CliftonLarsonAllen LLP

Champaign, Illinois
June 23, 2025

**PRAIRIE RIVERS NETWORK
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 684,636
Prepaid Expenses	22,414
Donated Assets	5,000
Investments	1,485,833
Total Current Assets	<u>2,197,883</u>

PROPERTY AND EQUIPMENT, NET 20,561

OPERATING RIGHT-OF-USE (ROU) ASSET 189,374

RESTRICTED INVESTMENT - FARMLAND 3,407,675

Total Assets \$ 5,815,493

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 5,678
Accrued Liabilities	38,318
Current Lease Liability - Operating	31,305
Total Current Liabilities	<u>75,301</u>

NONCURRENT LIABILITIES

Long-Term Lease Liability - Operating (Less Current Maturities) 158,069

Total Liabilities 233,370

NET ASSETS

Without Donor Restrictions:

Undesignated 931,909

Designated by the Board for Endowment 495,280

Total Without Donor Restrictions 1,427,189

With Donor Restrictions 4,154,934

Total Net Assets 5,582,123

Total Liabilities and Net Assets \$ 5,815,493

See accompanying Notes to Financial Statements.

**PRAIRIE RIVERS NETWORK
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grant Revenue	\$ 449,232	\$ 660,417	\$ 1,109,649
Contributions	308,815	2,943	311,758
Gross Special Events Revenue	129,773	-	129,773
Less: Cost of Direct Benefits to Donors	(33,546)	-	(33,546)
Special Events Revenue, Net	96,227	-	96,227
Designated Funds	-	2,218	2,218
In-Kind Donations	6,833	-	6,833
Interest Income	40,353	-	40,353
Realized and Unrealized Gain on Investments	46,496	467,675	514,171
Miscellaneous	21,779	-	21,779
Net Assets Released from Restrictions	569,688	(569,688)	-
Total Support and Revenue	1,539,423	563,565	2,102,988
EXPENSES			
Program Services	1,263,490	-	1,263,490
Supporting Services:			
Management and General	124,925	-	124,925
Fundraising	239,326	-	239,326
Total Supporting Services	364,251	-	364,251
Total Expenses	1,627,741	-	1,627,741
CHANGE IN NET ASSETS	(88,318)	563,565	475,247
Net Assets - Beginning of Year	1,515,507	3,591,369	5,106,876
NET ASSETS - END OF YEAR	<u>\$ 1,427,189</u>	<u>\$ 4,154,934</u>	<u>\$ 5,582,123</u>

See accompanying Notes to Financial Statements.

**PRAIRIE RIVERS NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024**

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Total Support Services	
EMPLOYEE COMPENSATION					
Salaries and Wages	\$ 832,064	\$ 73,921	\$ 148,109	\$ 222,029	\$ 1,054,093
Payroll Taxes	68,153	5,961	12,062	18,023	86,176
Employee Benefits	117,037	5,978	23,444	29,421	146,458
Total Employee Compensation	1,017,254	85,859	183,614	269,473	1,286,727
OTHER EXPENSES					
Professional Development	2,662	-	-	-	2,662
Contract Labor	51,540	24,032	12,132	36,164	87,704
Insurance	6,571	6,516	1,122	7,637	14,208
Service Charges and Other Expenses	1,590	5,154	3,697	8,851	10,441
Dues and Subscriptions	13,927	114	10,066	10,179	24,106
Personnel Expenses	6,416	313	1,095	1,408	7,824
Postage	18,323	81	284	365	18,688
Printing and Copying	3,992	-	-	-	3,992
Minor Equipment	577	-	-	-	577
Rent	41,325	2,016	7,055	9,071	50,396
Supplies	3,531	72	253	325	3,856
Telephone and Internet Fees	25,756	288	1,010	1,298	27,054
Travel and Per Diem	30,030	19	4,312	4,331	34,361
Membership Support	-	-	13,073	13,073	13,073
Communications and Public Engagement	21,480	-	-	-	21,480
River Clean-Ups	7,492	-	-	-	7,492
Provided to Sub-Recipients	1,583	-	-	-	1,583
Depreciation	9,444	461	1,612	2,073	11,517
Total Other Expenses	246,236	39,066	55,712	94,778	341,014
Total Functional Expenses	<u>\$ 1,263,490</u>	<u>\$ 124,925</u>	<u>\$ 239,326</u>	<u>\$ 364,251</u>	<u>\$ 1,627,741</u>

See accompanying Notes to Financial Statements.

**PRAIRIE RIVERS NETWORK
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 475,247
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation	11,517
Realized and Unrealized Gain on Investments	(514,171)
Effects of Changes in Operating Assets and Liabilities:	
Prepaid Expenses	4,923
Right-of-Use Asset	189,374
Accounts Payable	3,743
Accrued Liabilities	15,485
Net Cash Provided by Operating Activities	<u>186,118</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Investments	(2,740,334)
Sales of Investments	2,935,762
Reinvested Dividends	(40,308)
Purchases of Equipment	(6,808)
Net Cash Provided by Investing Activities	<u>148,312</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on Long-Term Lease Liability	(190,642)
Net Cash Used by Financing Activities	<u>(190,642)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

143,788

Cash and Cash Equivalents - Beginning of Year

540,848

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 684,636

See accompanying Notes to Financial Statements.

**PRAIRIE RIVERS NETWORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Prairie Rivers Network (the Organization) was incorporated under the “General Not for Profit Corporation Act” of Illinois. At the Organization, they protect water, heal land, and inspire change. Using the creative power of science, law, and collective action, they protect and restore our rivers, return healthy soils and diverse wildlife to our lands, and transform how we care for the earth and for each other.

Protect Water

Water is life—connecting, sustaining, and inspiring us all. At the Organization, they protect water from the ravages of pollution and restore the beauty and power of naturally flowing rivers. They hold polluters accountable, advance policies to allow river ecosystems to thrive, and promote practices that keep our waters clean.

Heal Land

Land and water form a system on which the entire community of life depends; to care for land is to care for water. Too often, human activity degrades land and water and imperils this community. At the Organization, they advance practices and policies that return health to our soils and increase biodiversity. They work with people to restore the lands along and between our rivers, repair the earth that provides our food, and ensure that animals have the habitat needed to thrive in a rapidly changing world.

Inspire Change

The Organization is part of an interconnected whole. Our community includes all parts of the Earth: soil, water, people, plants, and animals. At the Organization, they elevate and uphold the cultural values and understandings needed for all life to flourish. They use the images and voices of people to tell compelling stories of resistance and renewal. They educate and empower people to act. And they lead collective efforts to create new ways of restoring our rivers, healing our lands, and caring for their neighbors.

The Organization’s primary revenue sources include grants with foundations and other agencies and contributions received from donors.

Basis of Accounting

The Organization uses the accrual method of accounting as required in accordance with accounting principles generally accepted in the United States of America (GAAP). This method recognizes revenue when earned and expenses when incurred.

Cash and Cash Equivalents

The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Prepaid Expenses

Prepaid expenses, such as for insurance or service contracts, are deferred and expensed over the term when the services are received.

**PRAIRIE RIVERS NETWORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Assets

Donated assets such as collectibles are recorded as an asset at estimated fair market value.

Investments

Net realized and unrealized gains or losses on sales of securities are based on specific identification of investments. Realized and unrealized gains and losses are presented separately in the statement of activities. Investments are composed of mutual funds, government securities, exchange-traded funds, and farmland held for investment.

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that, such changes, could materially affect the amounts reported in the statement of financial position.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Equipment is depreciated using straight-line methods over their estimated useful lives, which range from three to seven years. The Organization uses a capitalization policy of \$500. The cost of normal maintenance and repairs that do not add to the value of the asset or increase the functionality of the asset are not capitalized.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Net Assets

Net assets are classified into one of two classes of net assets based on the existence or absence of donor-imposed restrictions. The following is a description of each class:

Without Donor Restrictions – This net asset class includes all assets that are not subjected to donor-imposed restrictions.

With Donor Restrictions – This net asset class includes net assets subject to donor-(or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

**PRAIRIE RIVERS NETWORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Grants Revenue

Contributions are recognized as revenues in the period that they are received. Contributions received with donor-imposed restrictions and related gains and income that are met in the same year as received are reported as without donor restrictions revenues. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets restricted by purpose or time are reclassified to net assets without donor restrictions. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Grant revenues are deferred until earned. Grant revenues are considered to be earned when the related expenses have been incurred and all other requirements of the grant have been met.

Donated materials, property and equipment, and investments are recorded at fair value when received.

Contributed Services

Contributed services are reported as in-kind donations revenue and as assets or expenses only if the services create or enhance a nonfinancial asset (for example property and equipment) or:

- Would typically need to be purchased by the Organization if the services had not been provided by contribution.
- Require specialized skills.
- Are provided by individuals with those skills (such as accounting, financial, construction, educational, electrical, legal, medical, and other services provided by accountants, investments advisers, contractors, teachers, electricians, lawyers, doctors, and other professional and craftspeople).

Contributed services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services.

Contributed Supplies and Goods

Donated supplies and goods are reported as in-kind donations revenue and assets or expenses at estimated cost or fair market value.

Special Events

Special events generate revenue for the Organization as well as raise awareness about the Organization's mission. Some events are annual and some are incidental to the Organization's central activities and do not happen regularly. Incidental events are recorded net in the accompanying statement of activities.

**PRAIRIE RIVERS NETWORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization leases building space. The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Income Taxes

The Organization is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). However, the Organization is required to pay federal taxes on any unrelated business income. The Organization files income tax returns in the U.S. federal jurisdiction and one state.

Advertising

The Organization expenses advertising costs as they are incurred.

Use of Estimates in Preparing Financial Statements

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

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses which are easily and directly associated with a particular program or supporting service are charged directly to that functional area. Employee compensation and various occupancy costs have been allocated on the basis of estimates of time and effort.

**PRAIRIE RIVERS NETWORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management evaluated subsequent events through June 23, 2025, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2024, but prior to June 23, 2025, that provided additional evidence about conditions that existed at December 31, 2024 have been recognized in the financial statements for the year ended December 31, 2024. Events or transactions that provided evidence about conditions that did not exist at December 31, 2024 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended December 31, 2024.

NOTE 2 LIQUIDITY

The Organization has \$2,170,469 of financial assets available within one year of the statement of financial position date consisting of cash and cash equivalents of \$684,636 and investments of \$1,485,833. However, \$1,244,609 of the financial assets available within one year are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

NOTE 3 CONCENTRATION OF CREDIT RISK

The Organization maintains cash in a bank located in Champaign, Illinois. Balances on deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. The Organization was fully insured for the year ended December 31, 2024. In addition, there is cash held by a broker that is not fully covered by FDIC.

NOTE 4 FAIR VALUE MEASUREMENTS

In determining fair value, the Organization uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

The fair value measurement framework establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The fair value measurement framework defines levels within the hierarchy based on the reliability of inputs as follows:

**PRAIRIE RIVERS NETWORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy.

Mutual funds and exchange-traded funds listed on a national market or exchange are valued at the last sales price. Such securities are classified within Level 1 of the valuation hierarchy.

Government securities are generally valued at benchmark yields, reported trades, broker/dealer quotes and other items. Government securities are classified within Level 1 of the valuation hierarchy.

Farmland is valued based on the valued purchase price adjusted for any market changes.

The preceding method 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 Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, Organization's assets at fair value as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 125,738	\$ -	\$ -	\$ 125,738
Government Securities	960,641	-	-	960,641
Exchange-Traded Funds	399,454	-	-	399,454
Farmland	-	-	3,407,675	3,407,675
Total	<u>\$ 1,485,833</u>	<u>\$ -</u>	<u>\$ 3,407,675</u>	<u>\$ 4,893,508</u>

There were no transfers between levels during the year ended December 31, 2024.

**PRAIRIE RIVERS NETWORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth a summary of changes in the fair value of the farmland which is a Level 3 asset, for the year ended December 31, 2024:

Balance - Beginning of Year	\$ 2,940,000
Change in Value	<u>467,675</u>
Balance - End of Year	<u><u>\$ 3,407,675</u></u>

The change in value of the Level 3 asset is included in realized/unrealized gain on investments in the statement of activities for the year ended December 31, 2024.

NOTE 5 PROPERTY AND EQUIPMENT

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

Equipment	\$ 115,816
Less: Accumulated Depreciation	<u>(95,255)</u>
Property and Equipment, Net	<u><u>\$ 20,561</u></u>

During the year-end, the Organization had depreciation expense of \$11,517.

NOTE 6 IN-KIND DONATIONS

The following is a summary of in-kind donations received during the year ended December 31, 2024:

Type of Item	Purpose of In-Kind Donation	Revenue Recognized
Silent Auction Items for Annual Dinner	Support for General Operations of the Organization	\$ 2,841
Printing Services	General Printing for the Organization	<u>3,992</u>
Total		<u><u>\$ 6,833</u></u>

The Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

**PRAIRIE RIVERS NETWORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 GRANT REVENUE

The following is a summary of revenue from grants and contracts during the year ended December 31, 2024:

American Rivers	\$ 25,000
The Walton Family Foundation	175,000
Rivian Foundation	50,000
The Lumpkin Family Foundation	65,000
The Energy Foundation	365,000
Illinois Environmental Council	100,000
National Wildlife Federation	102,500
Quad Cities Community Foundation	1,000
University of Illinois	33,649
Rural Climate Partnership	135,000
Community Foundation of East Central Illinois	7,500
Frontline Justice Fund, a fund of Tides Foundation	50,000
Total Grant Revenue	<u><u>\$ 1,109,649</u></u>

NOTE 8 NET ASSETS – DESIGNATIONS AND RESTRICTIONS

The Organization has net assets without donor restrictions that are specifically designated by the board of directors. The Organization also has net assets with donor restrictions that are restricted for specific purposes as well as restricted in perpetuity. Each type of net asset designation is described below.

Board-designated endowment net assets are available for the following purposes at December 31, 2024:

The Charles Goodall Fund	\$ 60,953
The Clark Bullard Advocacy Fund	57,588
General Operations	<u>376,739</u>
Total Board-Designated Endowment Net Assets	<u><u>\$ 495,280</u></u>

Funds designated by the board of directors to function as an endowment are voluntary and may be reversed by the board of directors at any time. Accordingly, they are reported as part of the net assets without donor restrictions. The Organization's board-designated endowment net assets exist as a permanent investment pool to enhance and sustain the operations of the Organization so that it can continue working to promote the lasting health of Illinois lakes, rivers, streams, and surrounding lands and, in so doing, nurture and enhance the enduring welfare of the people and wildlife of the state.

**PRAIRIE RIVERS NETWORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 NET ASSETS – DESIGNATIONS AND RESTRICTIONS (CONTINUED)

Assets in the Organization's board-designated endowment net assets are invested by the board of directors with the aim of long-term growth and generation of income to use in support of its purposes. All investments shall be chosen with prudence and consistent with all laws and generally accepted standards of institutional funds management.

Net Assets Without Donor Restrictions – Designated by the Board for Endowment

Further, investments shall be limited to assets that are easily liquidated and consistent with the charitable purposes and aims of the Organization. Assets shall be invested so that approximately 50% to 90% of the investments are in equity investments and the remaining assets held in investments chiefly intended to yield current income. Assets may be held as cash or cash equivalents in preparation for anticipated expenditures or when deemed prudent in response to ongoing or anticipated fluctuations in market values.

All expenditures of principal of board-designated endowment net assets must be approved by a minimum of 75% of the board of directors. In no instance shall the board authorize any expenditure of principal or income that is inconsistent with the charitable status of the Organization under federal and state laws or otherwise inconsistent with the specific purposes of the Organization.

Net Assets With Donor Restrictions – Restricted for Purpose

Net assets with donor restrictions which are restricted for a specific purpose were the following at December 31, 2024:

Donations Subject to a Purpose Restriction by Explicit

Donor Stipulation:

With Purpose Restrictions: Boneyard Clean-Up	\$ 8,575
With Purpose Restrictions: River Defense	539
With Purpose Restrictions: Grants	<u>660,417</u>
Total Net Assets with Donor Restrictions, Purpose Restriction	<u><u>\$ 669,531</u></u>

Net Assets With Donor Restrictions – Restricted in Perpetuity

Net assets with donor restrictions which are restricted in perpetuity were the following at December 31, 2024:

Restricted in Perpetuity Endowment Gifts Required to be

Retained by Explicit Donor Stipulations:

The Eric T. Freyfogle Endowment for the Environment	\$ 45,233
The Charles Goodall Memorial Fund	32,495
Total Carol Goodall Wock Endowment	<u>3,407,675</u>
Total Net Assets with Donor Restrictions, Restricted in Perpetuity	<u><u>\$ 3,485,403</u></u>
Total Net Assets With Donor Restrictions	<u><u>\$ 4,154,934</u></u>

**PRAIRIE RIVERS NETWORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 ENDOWMENT

The Organization is subject to the enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and is required to make disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

The Organization has an endowment fund consisting of contributions with donor stipulations that the original principal of the gifts is to be held and invested by the Organization indefinitely. As required by GAAP, the net assets associated with these contributions are classified as net assets with donor restrictions. The income from the endowment is classified as unrestricted as long as the purpose restriction is satisfied during the same fiscal year in which the income is received.

During the year ended December 31, 2016, the Organization received a gift of approximately 220 acres of farmland near Sidell, Illinois. The donor signed an Endowment Fund Agreement which stipulates that the land may not be sold but will provide income for the Organization's efforts to promote farming without harming. Under the terms of the agreement, the donor executed a deed to the Organization conveying a portion of the farmland (approximately 108 acres) to the Endowment as a permanent, donor-restricted endowment and reserving a life estate in it. The remaining approximately 112 acres was conveyed to the Organization during the year ended December 31, 2019. These 220 acres have been recognized in the Organization's financial statements as investment restricted for long-term purposes.

The Endowment Fund Agreement further stipulates that upon the donor's death, assets remaining in an investment account managed by Capital Financial Planning, if any, will be paid directly to the Organization under the terms of a transfer-on-death provision.

Interpretation of Relevant Law

The board of directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time of the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

**PRAIRIE RIVERS NETWORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 ENDOWMENT (CONTINUED)

The composition of endowment net assets and the changes in endowment net assets as of December 31, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - December 31, 2023	\$ 428,476	\$ 3,014,785	\$ 3,443,261
Donations	-	29,907	29,907
Investment Income	43,579	467,675	511,254
Released from Endowment	(3,739)	-	(3,739)
Endowment Net Assets - December 31, 2024	<u>\$ 468,316</u>	<u>\$ 3,512,367</u>	<u>\$ 3,980,683</u>

Fund Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2024, \$-0- was reported in net assets with donor restrictions.

Return Objectives and Risk Parameters

The Organization 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. Endowment assets may include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results of the S&P 500 index, with a 60/40 allocation, while assuming a moderate level of investment risk. The Organization expects its endowment fund, over time, to provide an average rate of return. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization 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). The Organization targets a diversified asset allocation that places an emphasis on equity-based and fixed income investments to achieve its long-term return objectives with prudent constraints.

Spending Policy and How the Investment Objectives Related to Spending Policy

The Organization has a policy for the appropriation of endowment assets for expenditure, which allows for the payment of endowment fund management fees from the endowment investment income.

**PRAIRIE RIVERS NETWORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 RETIREMENT PLAN

The Organization sponsors a defined contribution and a tax deferred annuity plan qualified under Section 403(b) of the IRC. Employees with the Organization for three months are eligible for the plan. After one year of employment, the participant is fully vested arising from their contributions made under this plan. The Organization's retirement plan contribution expense for the year ended December 31, 2024 was \$37,963.

NOTE 11 LEASE

The Organization leases office space under a noncancelable operating lease which commenced in November 2017. The required monthly rent under this agreement is \$4,120 for fiscal year 2024. The Organization has an option to renew one five-year option at a rent to be negotiated. On August 1, 2024, the noncancelable operating lease was renewed, commencing on January 1, 2025 and ending on December 31, 2029. The required monthly rent under this agreement is \$3,169 for fiscal year 2025, \$3,328 for fiscal year 2026, \$3,486 for fiscal year 2027, \$3,645 for fiscal year 2028, and \$3,803 for fiscal year 2029.

The following table provides quantitative information concerning the Organization's lease:

Lease Costs:

Operating Lease Costs	<u>\$ 48,171</u>
-----------------------	------------------

Other Information:

Weighted-Average Remaining Lease Term - Operating Lease	5 years
Weighted-Average Discount Rate - Operating Lease	3.84%

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2024 is as follows:

<u>Year Ending December 31,</u>	Amount
2025	\$ 38,030
2026	39,932
2027	41,833
2028	43,735
2029	<u>45,636</u>
Total Lease Payments	209,166
Less: Interest	<u>(19,792)</u>
Present Value of Operating Lease Liability	<u>\$ 189,374</u>

NOTE 12 RELATED PARTY TRANSACTIONS

During the year ended December 31, 2024, the Organization received \$94,621 or 30% of total contributions from members of the board of directors of the Organization.

