

Riverlife

Financial Statements

Years Ended December 31, 2021 and 2020
with Independent Auditor's Report

MaherDuessel

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RIVERLIFE

YEARS ENDED DECEMBER 31, 2021 AND 2020

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Independent Auditor's Report

**Board of Directors
Riverlife**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Riverlife, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 Riverlife as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Riverlife, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Riverlife'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.

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 Riverlife'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 Riverlife'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.

Maher Duessel

Pittsburgh, Pennsylvania
May 6, 2022

RIVERLIFE

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 2,106,335	\$ 1,818,643
Certificates of deposit	152,888	152,855
Accounts receivable	2,500	5,126
Contributions receivable	94,419	39,302
Prepaid expenses and other assets	4,786	28,501
Fixed assets, net	<u>55,650</u>	<u>1,390</u>
Total Assets	<u>\$ 2,416,578</u>	<u>\$ 2,045,817</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 52,673	\$ 40,378
Deferred revenue	<u>-</u>	<u>3,500</u>
Total Liabilities	<u>52,673</u>	<u>43,878</u>
Net Assets:		
Without donor restrictions	1,450,803	1,390,322
With donor restrictions	<u>913,102</u>	<u>611,617</u>
Total Net Assets	<u>2,363,905</u>	<u>2,001,939</u>
Total Liabilities and Net Assets	<u>\$ 2,416,578</u>	<u>\$ 2,045,817</u>

See accompanying notes to financial statements.

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STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Public Support and Revenue:</u>			
Public support:			
Foundations	\$ 674,500	\$ 423,520	\$ 1,098,020
Government	59,343	8,500	67,843
Corporate and individual	483,076	288,500	771,576
	<u>1,216,919</u>	<u>720,520</u>	<u>1,937,439</u>
Total public support			
Revenue:			
Interest income	879	-	879
Other income	6,879	-	6,879
	<u>7,758</u>	<u>-</u>	<u>7,758</u>
Total revenue			
Net assets released from restrictions	<u>419,035</u>	<u>(419,035)</u>	<u>-</u>
Total public support and revenue	<u>1,643,712</u>	<u>301,485</u>	<u>1,945,197</u>
<u>Operating Expenses:</u>			
Program implementation	759,271	-	759,271
General and administrative	365,162	-	365,162
Fundraising	458,798	-	458,798
	<u>1,583,231</u>	<u>-</u>	<u>1,583,231</u>
Total operating expenses			
Change in Net Assets	60,481	301,485	361,966
<u>Net Assets:</u>			
Beginning of year	<u>1,390,322</u>	<u>611,617</u>	<u>2,001,939</u>
End of year	<u>\$ 1,450,803</u>	<u>\$ 913,102</u>	<u>\$ 2,363,905</u>

See accompanying notes to financial statements.

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STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Public Support and Revenue:</u>			
Public support:			
Foundations	\$ 1,000,067	\$ 161,635	\$ 1,161,702
Government	135,200	-	135,200
Corporate and individual	323,102	-	323,102
	<u>1,458,369</u>	<u>161,635</u>	<u>1,620,004</u>
Total public support			
Revenue:			
Interest income	1,467	-	1,467
Other income	5,532	-	5,532
	<u>6,999</u>	<u>-</u>	<u>6,999</u>
Total revenue			
Net assets released from restrictions	<u>374,425</u>	<u>(374,425)</u>	<u>-</u>
Total public support and revenue	<u>1,839,793</u>	<u>(212,790)</u>	<u>1,627,003</u>
<u>Operating Expenses:</u>			
Program implementation	807,818	-	807,818
General and administrative	313,813	-	313,813
Fundraising	202,608	-	202,608
	<u>1,324,239</u>	<u>-</u>	<u>1,324,239</u>
Total operating expenses			
Change in Net Assets	515,554	(212,790)	302,764
<u>Net Assets:</u>			
Beginning of year	<u>874,768</u>	<u>824,407</u>	<u>1,699,175</u>
End of year	<u>\$ 1,390,322</u>	<u>\$ 611,617</u>	<u>\$ 2,001,939</u>

See accompanying notes to financial statements.

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STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	Program Implementation	Supporting Services		Total
		General and Administrative	Fundraising	
Payroll and benefits	\$ 278,840	\$ 267,501	\$ 230,442	\$ 776,783
Projects	431,008	-	-	431,008
Special events	-	204	149,927	150,131
Consulting	-	5,224	7,500	12,724
Accounting	-	28,045	-	28,045
Occupancy	10,328	10,002	8,535	28,865
Operating costs	13,305	37,445	8,524	59,274
Legal	390	-	-	390
Information technology	-	1,501	-	1,501
Travel	72	4,407	300	4,779
In Kind	-	-	44,500	44,500
Contracted services	8,828	6,220	-	15,048
Depreciation	-	3,970	-	3,970
Development	16,500	-	9,070	25,570
Other	-	643	-	643
	<u>\$ 759,271</u>	<u>\$ 365,162</u>	<u>\$ 458,798</u>	<u>\$ 1,583,231</u>
Total expenses	<u>\$ 759,271</u>	<u>\$ 365,162</u>	<u>\$ 458,798</u>	<u>\$ 1,583,231</u>

See accompanying notes to financial statements.

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STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

	Program Implementation	Supporting Services		Total
		General and Administrative	Fundraising	
Payroll and benefits	\$ 275,948	\$ 222,260	\$ 108,031	\$ 606,239
Projects	477,394	-	-	477,394
Special events	3,421	-	19,839	23,260
Consulting	-	14,573	40,300	54,873
Accounting	-	12,619	-	12,619
Occupancy	29,652	30,461	16,231	76,344
Operating costs	160	31,084	8,210	39,454
Legal	788	98	-	886
Information technology	-	986	-	986
Travel	-	1,468	-	1,468
In Kind	20,336	-	-	20,336
Contracted services	-	-	-	-
Depreciation	-	214	-	214
Development	119	-	9,997	10,116
Other	-	50	-	50
	<u>\$ 807,818</u>	<u>\$ 313,813</u>	<u>\$ 202,608</u>	<u>\$ 1,324,239</u>
Total expenses	<u>\$ 807,818</u>	<u>\$ 313,813</u>	<u>\$ 202,608</u>	<u>\$ 1,324,239</u>

See accompanying notes to financial statements.

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STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 361,966	\$ 302,764
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,970	214
Change in:		
Accounts receivable	2,626	(3,935)
Contributions receivable	(55,117)	212,298
Prepaid expenses and other assets	23,715	(18,141)
Accounts payable and accrued liabilities	12,295	4,800
Deferred revenue	(3,500)	3,500
Net cash provided by (used in) operating activities	<u>345,955</u>	<u>501,500</u>
Cash Flows From Investing Activities:		
Interest from certificates of deposit	(33)	(64)
Purchase of equipment	(15,763)	(1,604)
Purchase of leasehold improvements	(42,467)	-
Net cash provided by (used in) investing activities	<u>(58,263)</u>	<u>(1,668)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	287,692	499,832
Cash and Cash Equivalents:		
Beginning of year	<u>1,818,643</u>	<u>1,318,811</u>
End of year	<u>\$ 2,106,335</u>	<u>\$ 1,818,643</u>

See accompanying notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

1. Organization

Since 1999, Riverlife has worked to create, activate, and celebrate Pittsburgh’s riverfronts. A nonprofit leader in building a community vision for Pittsburgh’s riverfronts, Riverlife has overseen a \$132 million investment in the city’s waterfront transformation, catalyzing \$4.2 billion in related economic development, arts and culture, and ecological sustainability on or adjacent to the city’s riverbanks. We center our work on the belief that the riverfronts belong to everyone, and world-class riverfront experiences can be created for all using community-driven, equitable development and high-quality, regenerative design.

Riverlife was formed over twenty years ago by a coalition of property owners, environmentalists, philanthropists, and community members who saw the pressing need to develop a plan to reclaim Pittsburgh’s underutilized riverfronts for the people of the region and our visitors. Their vision led to the creation of Riverlife, then known as Riverlife Task Force, and the goal of creating world-class waterfronts that belonged to everyone.

From the very beginning, Riverlife’s work was community-centered. Riverlife conducted hundreds of public meetings and gathered feedback from thousands of Pittsburghers, asking “What would you like to see on Pittsburgh’s riverbanks?”. This public process shaped Riverlife’s 2001 *Vision Plan for Pittsburgh’s Riverfronts*, which called for the creation of an interconnected riverfront open space system that would grow to encompass over 15 miles of riverbank and 880 acres of public open space on land and water.

The plan served as a guide for transformational riverfront real estate development, elevating contextual building design and public amenities for a cohesive riverfront experience. Riverlife leveraged its ability to work with public and private property owners and tackle big challenges with creative solutions to drive transformational change. Riverlife led or advanced strategic capital projects like the creation of South Shore Riverfront Park and the Mon Wharf Landing, and the restoration of Point State Park and Allegheny Landing; partnered with public authorities to implement infrastructure projects like the Mon Wharf Switchback and Grant Street Crossing to fill gaps in the riverfront network and restore access to the rivers; and helped lead policy development like City Planning’s initiative to update “RIV” permanent zoning for the 32 miles of Pittsburgh riverfront.

After two-plus decades of projects that have expanded the scope of our riverfront leadership, Riverlife’s area of emphasis is now centered around the Downtown confluence of the three rivers and defined by signature landmarks: the West End Bridge that spans the Chateau and West End neighborhoods on the Ohio; the 31st Street Bridge on the Allegheny; and the Hot Metal Bridge on the Monongahela near SouthSide Works and Hazelwood.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Throughout this footprint, Riverlife has proven the large-scale benefits of regional waterfront development by facilitating over \$132 million of direct investment into the Pittsburgh region's network of riverfront public open space, leveraging over \$4.2 billion in riverfront and adjacent development. Our mission to create, activate, and celebrate Pittsburgh's riverfronts also aims to connect people through smaller-scale and temporary interventions like movable seating and bridge lighting that advance the conversation around the riverfront experience. ArtWalk on the Allegheny is a partnership with The Pittsburgh Cultural Trust that brings new voices and temporary, immersive works of public art to two miles of the Allegheny River between Point State Park and the Strip District. Another partnership, Pittsburgh Creative Corps, was developed by Riverlife, the Office of Public Art, and Pittsburgh Downtown Partnership to enlist a rapid-response collective of artists, producers, and makers to fabricate and install temporary amenities along the riverfronts to bolster public health awareness in light of the COVID-19 health crisis.

Beyond temporary activations, Riverlife works with riverfront development proponents to ensure that riverfront amenities and high-quality, regenerative design are incorporated into long-term development projects. Riverlife's Design Review Committee meets with property owners and developers throughout the year to give constructive guidance so new projects enhance the public realm and help build a network of welcoming trails and open spaces, with amenities like public art and lighting, public restrooms, and kayak and bicycle rentals.

While today's Pittsburgh riverfront boasts world-class moments, challenges and gaps remain in creating a world-class experience for all. Future infrastructure projects and investments along the region's rivers must elevate ecological sustainability and maintenance solutions to protect the progress that has already been made. Additionally, Riverlife's work moving forward elevates social equity while building on the founders' best-in-class legacy. The pandemic has shown just how vital riverfront open space has been for the people of our region, and the community vision for a vibrant continuous open space network is even more relevant now than it was in 1999. Riverlife remains in a key leadership role to actualize that vision and deliver a riverfront experience that serves everyone and becomes a calling card for Pittsburgh.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

2. Summary of Significant Accounting Policies

A summary of significant accounting policies consistently applied by management in the preparation of the accompanying financial statements follows:

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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. Actual results could differ from those estimates.

Basis of Accounting

The financial statements of Riverlife have been prepared on the accrual basis of accounting. Riverlife classifies resources for accounting and reporting purposes into separate net asset classes based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories.

A description of Riverlife's net asset categories follows:

Without Donor Restrictions - Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions or stipulations as to purpose or use.

With Donor Restrictions - Net assets with donor restrictions are net assets that are subject to donor or grantor-imposed restrictions or stipulations that may or will be met either by actions of Riverlife or the passage of time.

Contributions without donor restrictions are recorded as revenue when received or pledged. Amounts that are designated for future periods or restricted by the donor for specific purposes are reported as revenue and net assets with donor restrictions. Contributions with donor restrictions are reported in the statements of activities as net assets released from restrictions when a stipulated time restriction ends or purpose restriction is accomplished. 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. Amounts received from government grants are conditioned upon certain performance requirements and/or the incurrence of

RIVERLIFE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

allowable qualifying expenses. Such grants are recognized as revenue when expenditures have been incurred in compliance with the contract provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position.

An \$85,000 grant contract was awarded from the Department of Conservation and Natural Resources for the period January 1, 2020 through December 31, 2022. \$76,500 of the grant was received and recorded as revenue during 2020. The remaining \$8,500 was recorded as revenue during 2021 as the Implementation Framework was completed and the conditions of the grant were met. Payment for this amount was received subsequent to year-end.

A \$500,000 grant was awarded from the McCune Foundation in May 2021. The first payment of \$250,000 was received in 2021, and the second payment of \$250,000 will be received once the conditions of the grant are met, which is anticipated to occur in 2022.

A \$300,000 grant was awarded from the Hillman Foundation in March 2021. The first payment of \$150,000 was received in 2021, and the second payment of \$150,000 will be received once the conditions of the grant are met, which is anticipated to occur in 2022.

Cash and Cash Equivalents

Riverlife maintains, at a financial institution, cash that may exceed federally insured amounts at times. All investments with a purchased maturity of three months or less are considered to be cash equivalents.

Certificates of Deposit

Investment in certificates of deposit is stated at fair value. Interest is reported in the period earned as an increase in net assets without donor restrictions.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Fixed Assets

Fixed assets, including equipment and fixtures, are stated at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the related properties, which ranges from 5 to 15 years. Riverlife reviews the recoverability of the carrying value of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset might not be recoverable. Property and equipment consist of the following at December 31:

	2021	2020
Leasehold improvements	\$ 66,226	23,759
Furniture and fixtures	39,976	24,213
	<u>106,202</u>	<u>47,972</u>
Less: accumulated depreciation	(50,552)	(46,582)
	<u>\$ 55,650</u>	<u>\$ 1,390</u>

Depreciation expense totaled \$3,970 and \$214 as of December 31, 2021 and 2020, respectively.

Donated Services

Riverlife recognizes contribution revenue for certain goods and services received at their estimated fair value, which approximated \$45,000 and \$20,000 for the years ended December 31, 2021 and 2020, respectively. No amounts have been reflected in the accompanying financial statements for donated services of the members of the Board of Directors (Board) because no objective basis is available to measure the value of such services; however, Board members have donated a substantial amount of time to the operation of Riverlife.

Income Taxes

Riverlife is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is classified as an entity that is not a private foundation under the meaning of Section 509(a) of the IRC. Additionally, Riverlife annually files a Form 990.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Functional Expenses

The costs of providing Riverlife's various programs and supporting services have been summarized on a functional basis in the accompanying schedule of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Salaries, payroll taxes, communications, and insurance are allocated on the basis of time and effort. All other expenses are allocated based upon actual usage. These expenses are allocated on a reasonable basis that is consistently applied.

Fair Value Measurement

Riverlife defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Riverlife applies the following fair value hierarchy to the measurement.

Fair values for Level 1 financial instruments are determined by quoted prices in the active market for identical financial instruments. Fair values for Level 2 financial instruments are determined by other significant observable inputs (quoted prices for similar financial instruments, interest rates, prepayment speeds, credit risk, etc.). Fair values for Level 3 financial instruments are determined by significant unobservable inputs, including Riverlife's own assumptions in determining the fair value of financial instruments.

The fair value of Riverlife's investments in certificates of deposit is based on Level 1 inputs.

Pending Accounting Standards Updates

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Updates (individually and collectively, ASU) that will become effective in future years as outlined below. Management has not yet determined the impact of these updates on the financial statements.

ASU 2016-02, "*Leases (Topic 842)*," is effective, as delayed, for the financial statements for the year beginning after December 15, 2021. These amendments and related amendments will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

ASU 2016-13, *“Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,”* is effective, as delayed, for the financial statements for the year beginning after December 15, 2022. These amendments and related amendments require a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. This includes loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash.

ASU 2020-07, *“Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets,”* is effective for the year beginning after June 15, 2021. These amendments and related amendments will require that a Not-for-Profit present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

3. Liquidity and Availability

Financial assets available within one year of the balance sheet date for general expenditure are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,106,335	\$ 1,818,643
Accounts receivable	2,500	5,126
Current contributions receivable	94,419	33,302
Less: net assets with donor restrictions subject to expenditure for specific purpose	<u>913,102</u>	<u>611,617</u>
	<u>\$ 1,290,152</u>	<u>\$ 1,245,454</u>

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

As part of Riverlife’s liquidity management, it has a revolving credit agreement (See Note 6). Riverlife has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Riverlife’s funds consist of net assets with donor restrictions that are subject to expenditure for specific purposes, and, therefore, are not available for general expenditure.

For purposes of analyzing resources available to meet general expenditures, Riverlife considers all expenditures related to its ongoing activities of riverfront program implementation, general and administrative functions, and fundraising to be general expenditures.

4. Contributions Receivable

Contributions receivable at December 31 are as follows:

	2021	2020
In one year or less	\$ 94,419	\$ 33,302
Between one year and five years	-	6,000
	<u>\$ 94,419</u>	<u>\$ 39,302</u>

Due to the short-term nature of the expected collections, the net realizable value is considered a reasonable estimate of the fair value. Unconditional promises to give that are expected to be collected in future years have not been discounted as the discount is deemed to be immaterial to the financial statements. No allowance is deemed necessary as all receivables are expected to be collected.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

5. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31 were available for the following purposes or periods:

	<u>2021</u>	<u>2020</u>
Subject to passage of time	\$ 66,500	\$ -
Subject to expenditure for specified purpose:		
Construction projects:		
Care and maintenance	215,622	215,736
Shovel Ready	150,000	150,000
Headwaters Lagoon	45,423	45,423
Grant Street Crossing	27,000	27,000
Trail signage	11,823	11,823
Pittsburgh Creative Corps	-	103,811
Development Assessment and Plan	-	16,500
Implementation Framework	-	41,324
Artwalk	10,360	-
Capitalization Planning	23,000	-
Allegheny Landing Phase I	278,315	-
Diversity, Equity & Inclusion Planning	12,500	-
Completing the Loop Planning	69,059	-
West End Bridge Planning	3,500	-
	<u>\$ 913,102</u>	<u>\$ 611,617</u>

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors or grantors. Net assets were released during the years ended December 31 for the following purposes:

	<u>2021</u>	<u>2020</u>
Satisfaction of time	\$ -	\$ 325,000
Satisfaction of purpose restriction:		
Construction projects:		
Care and Maintenance	114	49,014
Implementation Framework	49,824	-
Allegheny Landing	7,185	411
Pittsburgh Creative Corps	103,811	-
Artwork	153,160	
Completing the Loop Planning	80,941	
Capitalization Planning	2,000	
Diversity, Equity & Inclusion Planning	2,500	
Hello Neighbor Boat Tour	3,000	
Development Assessment & Plan	16,500	-
	<u>\$ 419,035</u>	<u>\$ 374,425</u>

6. Line of Credit

Riverlife has a revolving credit agreement, which renews annually and has maximum borrowings of \$200,000 and interest at the prime lending rate plus 1.00% (3.25% at December 31, 2021 and 2020). The revolving credit agreement matures on December 22, 2022 and is secured by Riverlife's certificates of deposit held at the same bank. There were no borrowings outstanding at December 31, 2021 and 2020.

7. PPP Loan Payable

In May 2020, Riverlife received a \$58,700 United States Small Business Administration (SBA) loan through the Federal Government's Paycheck Protection Program (PPP) that resulted from the COVID-19 pandemic. The entire loan amount was expended during the fiscal year 2020 and was recorded as a payable at December 31, 2020. Riverlife received notification

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the loan was forgiven on January 6, 2021; therefore, the PPP loan proceeds were reflected as revenue in 2021.

In March 2021, Riverlife received a \$58,700 United States Small Business Administration (SBA) loan through the Federal Government's Paycheck Protection Program (PPP) that resulted from the COVID-19 pandemic. The entire loan amount was expended during the fiscal year 2021, and the loan was forgiven on August 9, 2021. Therefore, the PPP loan proceeds were reflected as revenue as of December 31, 2021.

8. Employee Benefit Plan

Riverlife sponsors a defined contribution 401(k) plan covering all its employees. Participation in the plan is subject to the eligibility provisions of the plan. Profit-sharing contributions are made at the discretion of Riverlife. Employees may elect to contribute from their salaries amounts equal to the salary reduction dollar limit set by the Internal Revenue Service with a safe harbor contribution of 3%. Employer contributions to the plan were approximately \$19,000 and \$14,000 for the years ended December 31, 2021 and 2020, respectively.

9. Operating Lease

During 2020, Riverlife entered into a new lease agreement for office space with 64 monthly payments totaling \$156,017. The effective date of the lease is December 1, 2020; however, rental payments were not required until the Commencement Date of the lease, which was April 19, 2021. Total rent expense approximated \$23,000 and \$73,000 for the years ended December 31, 2021 and 2020, respectively.

The future payments are as follows:

2022	\$	50,899
2023		51,729
2024		52,005
2025		52,835
2026		30,982
	\$	<u>238,451</u>

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10. Concentrations, Commitments, and Contingencies

Approximately, 64% and 46% of Riverlife's contributions receivable are due from one donor as of December 31, 2021 and 2020, respectively.

Under the terms of federal and state grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. Riverlife believes that disallowances, if any, will not have a materially adverse effect on the financial statements. As of December 31, 2021, the total amount of federal and state grants was \$8,500. See more detail of applicable grants in Note 2. As of December 31, 2020, the total amount of federal and state grants was \$85,000.