

# **Riverlife**

## Financial Statements

Years Ended December 31, 2023 and 2022  
with Independent Auditor's Report

**MaherDuessel**

Pursuing the profession while promoting the public good©  
[www.md-cpas.com](http://www.md-cpas.com)

# RIVERLIFE

YEARS ENDED DECEMBER 31, 2023 AND 2022

## TABLE OF CONTENTS

---

### **Independent Auditor's Report**

### **Financial Statements:**

Statements of Financial Position	1
Statements of Activities:	
- Year Ended December 31, 2023	2
- Year Ended December 31, 2022	3
Statements of Functional Expenses:	
- Year Ended December 31, 2023	4
- Year Ended December 31, 2022	5
Statements of Cash Flows	6
Notes to Financial Statements	7

## 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, 2023 and 2022, 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, 2023 and 2022, 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. 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 1, 2024

# RIVERLIFE

## STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 5,229,901	\$ 4,504,584
Certificates of deposit	-	152,918
Investments	5,569,325	-
Accounts receivable	266,488	9,500
Contributions receivable	652,302	44,817
Prepaid expenses and other assets	14,242	5,235
Right-of-use asset - operating	132,775	183,346
Fixed assets, net	<u>84,122</u>	<u>78,607</u>
<b>Total Assets</b>	<b><u>\$ 11,949,155</u></b>	<b><u>\$ 4,979,007</u></b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 163,785	\$ 155,137
Deferred revenue	30,000	35,000
Lease liability - operating	<u>134,198</u>	<u>184,473</u>
<b>Total Liabilities</b>	<b><u>327,983</u></b>	<b><u>374,610</u></b>
<b>Net Assets:</b>		
Without donor restrictions:		
Board designated	957,940	957,940
Undesignated	<u>1,882,596</u>	<u>707,282</u>
<b>Total without donor restrictions</b>	<b>2,840,536</b>	<b>1,665,222</b>
With donor restrictions:		
Purpose restricted	3,141,311	2,739,175
Time restricted	639,325	200,000
Held in perpetuity	<u>5,000,000</u>	<u>-</u>
<b>Total with donor restrictions</b>	<b><u>8,780,636</u></b>	<b><u>2,939,175</u></b>
<b>Total Net Assets</b>	<b><u>11,621,172</u></b>	<b><u>4,604,397</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 11,949,155</u></b>	<b><u>\$ 4,979,007</u></b>

See accompanying notes to financial statements.

# RIVERLIFE

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support and Revenue:</b>			
Public support:			
Foundations	\$ 827,589	\$ 5,624,869	\$ 6,452,458
Government	30,000	640,748	670,748
Corporate and individual	1,505,808	832,302	2,338,110
Contributions of nonfinancial assets	48,591	-	48,591
	<u>2,411,988</u>	<u>7,097,919</u>	<u>9,509,907</u>
 Revenue:			
Investment income (loss), net	114,655	560,029	674,684
Other income	9,778	-	9,778
	<u>124,433</u>	<u>560,029</u>	<u>684,462</u>
 Net assets released from restrictions	<u>1,816,487</u>	<u>(1,816,487)</u>	<u>-</u>
	<u>4,352,908</u>	<u>5,841,461</u>	<u>10,194,369</u>
<b>Operating Expenses:</b>			
Program implementation	2,046,335	-	2,046,335
General and administrative	392,662	-	392,662
Fundraising	738,597	-	738,597
	<u>3,177,594</u>	<u>-</u>	<u>3,177,594</u>
 <b>Change in Net Assets</b>	<u>1,175,314</u>	<u>5,841,461</u>	<u>7,016,775</u>
<b>Net Assets:</b>			
Beginning of year	<u>1,665,222</u>	<u>2,939,175</u>	<u>4,604,397</u>
End of year	<u>\$ 2,840,536</u>	<u>\$ 8,780,636</u>	<u>\$ 11,621,172</u>

See accompanying notes to financial statements.

# RIVERLIFE

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support and Revenue:</b>			
Public support:			
Foundations	\$ 629,000	\$ 2,484,351	\$ 3,113,351
Government	2,500	94,040	96,540
Corporate and individual	590,266	375,000	965,266
Contributions of nonfinancial assets	47,880	-	47,880
	<u>1,269,646</u>	<u>2,953,391</u>	<u>4,223,037</u>
Revenue:			
Investment income (loss), net	6,565	-	6,565
Other income	5,467	-	5,467
	<u>12,032</u>	<u>-</u>	<u>12,032</u>
Net assets released from restrictions	<u>927,318</u>	<u>(927,318)</u>	<u>-</u>
	<u>2,208,996</u>	<u>2,026,073</u>	<u>4,235,069</u>
<b>Operating Expenses:</b>			
Program implementation	999,140	-	999,140
General and administrative	438,352	-	438,352
Fundraising	557,085	-	557,085
	<u>1,994,577</u>	<u>-</u>	<u>1,994,577</u>
<b>Change in Net Assets</b>	214,419	2,026,073	2,240,492
<b>Net Assets:</b>			
Beginning of year	<u>1,450,803</u>	<u>913,102</u>	<u>2,363,905</u>
End of year	<u>\$ 1,665,222</u>	<u>\$ 2,939,175</u>	<u>\$ 4,604,397</u>

See accompanying notes to financial statements.

# RIVERLIFE

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Program Implementation	Supporting Services		Total
		General and Administrative	Fundraising	
Payroll and benefits	\$ 396,598	\$ 262,949	\$ 374,496	\$ 1,034,043
Projects	1,614,102	-	-	1,614,102
Special events	-	-	219,542	219,542
Consulting	7,075	7,218	29,000	43,293
Accounting	-	31,749	-	31,749
Occupancy	23,489	15,573	22,179	61,241
Operating costs	1,450	39,439	9,878	50,767
Legal	130	20,625	-	20,755
Information technology	-	1,013	-	1,013
Travel	3,491	6,035	3,975	13,501
In-kind	-	-	48,591	48,591
Contracted services	-	2,165	-	2,165
Depreciation	-	5,896	-	5,896
Development	-	-	30,936	30,936
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 2,046,335</u>	<u>\$ 392,662</u>	<u>\$ 738,597</u>	<u>\$ 3,177,594</u>

See accompanying notes to financial statements.



# RIVERLIFE

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	Program Implementation	Supporting Services		Total
		General and Administrative	Fundraising	
Payroll and benefits	\$ 303,657	\$ 329,151	\$ 302,975	\$ 935,783
Projects	662,426	-	-	662,426
Special events	-	-	147,514	147,514
Consulting	-	1,949	13,500	15,449
Accounting	-	28,983	-	28,983
Occupancy	20,491	19,844	16,934	57,269
Operating costs	12,533	39,361	1,092	52,986
Legal	33	1,461	-	1,494
Information technology	-	-	-	-
Travel	-	12,059	96	12,155
In-kind	-	-	47,880	47,880
Contracted services	-	220	-	220
Depreciation	-	5,324	-	5,324
Development	-	-	27,094	27,094
<b>Total expenses</b>	<b>\$ 999,140</b>	<b>\$ 438,352</b>	<b>\$ 557,085</b>	<b>\$ 1,994,577</b>

See accompanying notes to financial statements.

# RIVERLIFE

## STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 7,016,775	\$ 2,240,492
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	5,896	5,324
Reduction in lease asset	50,571	50,301
Realized and unrealized (gains) losses on investments	(498,881)	-
Contributions restricted for long-term purposes	(5,000,000)	-
Change in:		
Accounts receivable	(256,988)	(7,000)
Contributions receivable	(607,485)	49,602
Prepaid expenses and other assets	(9,007)	(449)
Accounts payable and accrued liabilities	8,648	102,464
Deferred revenue	(5,000)	35,000
Lease liability	(50,275)	(49,174)
Net cash provided by (used in) operating activities	<u>654,254</u>	<u>2,426,560</u>
<b>Cash Flows From Investing Activities:</b>		
Interest from certificates of deposit	-	(30)
Redemption of certificates of deposit	152,918	-
Purchase of equipment	(11,411)	(11,068)
Purchase of leasehold improvements	-	(17,213)
Investment purchases and reinvestments	(5,070,444)	-
Net cash provided by (used in) investing activities	<u>(4,928,937)</u>	<u>(28,311)</u>
<b>Cash Flows from Financing Activities</b>		
Contributions restricted for long-term purposes	<u>5,000,000</u>	-
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	725,317	2,398,249
<b>Cash and Cash Equivalents:</b>		
Beginning of year	<u>4,504,584</u>	<u>2,106,335</u>
End of year	<u>\$ 5,229,901</u>	<u>\$ 4,504,584</u>

See accompanying notes to financial statements.

# RIVERLIFE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

---

### 1. Organization

Since 1999, Riverlife has worked to create, activate, and celebrate Pittsburgh’s riverfronts. A non-profit 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.

# RIVERLIFE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

---

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, Shiftworks, 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.

# RIVERLIFE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

---

### 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, 2023 AND 2022

---

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.

A \$1.5 million grant contract was awarded from the Hillman Foundation in March 2023. The first payment of \$500,000 was received in 2023, and the remaining payments of \$500,000 each are expected to be recognized in 2024 and 2025, upon meeting the conditions of the grant.

A \$2 million grant contract was awarded from the Redevelopment Authority of Allegheny County in April 2023. Riverlife incurred \$394,188 in expenses in 2023 and recognized the related revenue. The remaining revenue is expected to be recognized in 2024, upon meeting the conditions of the grant (incurrence of eligible expenditures).

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 during 2022.

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 was recognized in 2022, upon meeting the conditions of the grant.

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 was recognized in 2022, upon meeting the conditions of the grant.

### 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.

---

# RIVERLIFE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

---

### Investments and Investments Income

Riverlife's investments are reported at fair value. Those investments received as gifts or donations are recorded at their fair value on the date received. Net appreciation or depreciation in the fair value of investments is reflected as revenue with donor restrictions or without donor restrictions in the accompanying statements of activities.

Riverlife has investments in stocks, fixed income securities, and other 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 statements of financial position.

### Accounts and Contributions Receivable

Contributions receivable are recorded with and without donor restrictions. Although considered a contribution for reporting purposes, Riverlife separately reports its receivables related to WDTC tax credits as accounts receivable. Receivables that are expected to be collected within one year are recorded at net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of their estimated cash flows. Decisions to charge off uncollectible receivables are based on management's judgment after consideration of facts and circumstances surrounding potential uncollectible accounts. It is reasonably possible that Riverlife's estimate of an allowance for uncollectible receivables will change. Riverlife wrote off \$0 in uncollectible receivables as of December 31, 2023 and 2022, respectively. No allowance was deemed necessary.

### 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:

# RIVERLIFE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

---

	<u>2023</u>	<u>2022</u>
Leasehold improvements	\$ 83,439	83,439
Furniture and fixtures	<u>62,455</u>	<u>51,044</u>
	145,894	134,483
Less: accumulated depreciation	<u>(61,772)</u>	<u>(55,876)</u>
Total	<u>\$ 84,122</u>	<u>\$ 78,607</u>

Depreciation expense totaled \$5,896 and \$5,324 as of December 31, 2023 and 2022, respectively.

### Endowment Fund

Riverlife has interpreted Pennsylvania State Act 141 of 1998 (Act) 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, Riverlife classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment held in perpetuity, and (b) the original value of subsequent gifts to the endowment held in perpetuity. As allowed by the endowment and gift instruments, the realized and unrealized appreciation (depreciation) and investment income, recognized when earned, on the endowment are included in net assets with donor restrictions. These amounts are restricted by time until Riverlife makes the annual draw on the endowment to be used at management's discretion.

### Leases

Riverlife has one lease for office space. Riverlife determines if an arrangement is a lease at inception. The lease is included in right-of-use (ROU) assets – operating and lease liability – operating on the statements of financial position. Riverlife does not have any leases that meet the criteria of a finance lease.

The ROU asset represents Riverlife's right to use an underlying asset for the lease term and the lease liability represents Riverlife's obligation to make lease payments arising from the lease. The operating lease ROU asset and liability are recognized at commencement date based on the present value of lease payments over the lease term. As the lease does not provide an implicit rate, the risk-free Treasury rate is used in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Riverlife's lease terms may include options to extend or



# RIVERLIFE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

---

terminate the lease when it is reasonably certain that they will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Riverlife's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, Riverlife considers factors such as if they have obtained substantially all of the rights to the underlying asset through exclusivity, if they can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

### Deferred Revenue

Deferred revenue as of December 31, 2023 is related to sponsorships received prior to year end for the 2024 Party at the Pier event. Amounts will be recognized as revenue when the event occurs in 2024.

### Contributed Nonfinancial Assets

Riverlife recognizes contribution revenue for services received at their estimated fair value if they create or enhance nonfinancial assets, or if they require specialized skills that would need to be purchased if they were not donated. Amounts recognized in 2023 and 2022 were all related to Riverlife's special event. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. 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 non-profit 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.

# RIVERLIFE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

---

### 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, including certificate of deposit, is based on Level 1 inputs.

### Adopted Accounting Standards

The provisions of these Standards Updates have been adopted and incorporated into these financial statements:

ASU 2016-13, "*Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.*" 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

# RIVERLIFE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

---

have the contractual right to receive cash. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

### 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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 5,229,901	\$ 4,504,584
Accounts receivable	266,488	9,500
Current contributions receivable	389,802	44,817
Less: net assets with donor restrictions subject to expenditure for specific purpose	<u>3,141,311</u>	<u>2,739,175</u>
	<u>\$ 2,744,880</u>	<u>\$ 1,819,726</u>

As part of Riverlife's liquidity management, it has a revolving credit agreement (See Note 8). 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.

# RIVERLIFE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

---

### 4. Contributions Receivable

Contributions receivable at December 31 are as follows:

	<u>2023</u>	<u>2022</u>
In one year or less	\$ 389,802	\$ 44,817
Between one year and five years	<u>262,500</u>	<u>-</u>
Total	<u>\$ 652,302</u>	<u>\$ 44,817</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.

The fair value of assets measured on a recurring basis as of December 31, 2023 is as follows: Level 1 contributions receivable – current \$389,802 and Level 3 contributions receivable – noncurrent \$262,500. Fair value of assets measured on a recurring basis as of December 31, 2022 is as follows: Level 1 contributions receivable – current \$44,817 and Level contributions receivable – noncurrent \$0. Contributions due within one year are considered to be Level 1 because of the short maturity of these instruments. Since Riverlife’s noncurrent contributions receivable has no significant observable inputs, they are classified as Level 3.

### 5. Investments

The following summarizes investments as recorded on the statement of financial position:

	<u>2023</u>	<u>2022</u>
Money market fund	\$ 92,782	\$ -
Fixed income and bonds	1,527,458	-
Stock and equity	<u>3,949,085</u>	<u>-</u>
Total	<u>\$ 5,569,325</u>	<u>\$ -</u>

---

# RIVERLIFE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

---

Investment income (loss) is summarized as follows for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Interest and dividend income (including interest on bank accounts and accrued interest earned)	\$ 180,221	\$ 6,565
Net realized gain (loss)	5,603	-
Net unrealized gain (loss)	493,278	-
Investment fees	<u>(4,418)</u>	<u>-</u>
Total investment income (loss)	<u>\$ 674,684</u>	<u>\$ 6,565</u>

### 6. Net Assets

During 2023, the Board of Riverlife designated the following amounts and purposes:

Strategic Innovation Fund – established to provide Riverlife access to catalytic investment that can leverage funding to further priorities outlined in the strategic plan and provide the agility to respond to opportunities that would otherwise go untapped. The amount designated is \$500,000 as of December 31, 2023 and 2022.

Operating Reserve Fund – intended to provide an internal source of funding for short-term cash shortfalls, including, but not limited to: an unexpected one-time expense, an unanticipated loss or delay in funding, and uninsured losses of fixed assets. The operating reserve fund is not intended to replace a permanent loss of funding or to eliminate an ongoing budget deficit. The amount of the operating reserve will be a minimum of 3 months of operating expenses, with the goal of maintaining up to six months of operating expenses in reserve. The amount designated is \$457,940 as of December 31, 2023 and 2022.

# RIVERLIFE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	<u>2023</u>	<u>2022</u>
Subject to passage of time		
Endowment held in perpetuity	\$ 5,000,000	\$ -
Accumulated earnings on endowment	569,325	-
Operating grant	<u>70,000</u>	<u>200,000</u>
Total time restricted	<u>5,639,325</u>	<u>200,000</u>
Subject to expenditure for specified purpose:		
Construction projects:		
Care and maintenance	215,622	215,622
Grant Street Crossing	27,000	27,000
Trail signage	3,710	11,823
Artwalk	10,000	26
Capitalization Planning	-	6,375
Allegheny Landing Phase I	1,635,191	1,918,445
Completing the Loop Planning	3,740	96,936
West End Bridge Planning	110,517	74,512
Manchester Public Art	6,500	-
Sister Bridges Experience	630,000	-
Allegheny Riverfront Park	474,040	375,000
Activation Programming	20,000	-
Boat Tours	<u>4,991</u>	<u>13,436</u>
Total construction projects	<u>3,141,311</u>	<u>2,739,175</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 8,780,636</u></u>	<u><u>\$ 2,939,175</u></u>

# RIVERLIFE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

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>2023</u>	<u>2022</u>
Satisfaction of time	\$ 200,000	\$ 66,500
Satisfaction of purpose restriction:		
Construction projects:		
Headwaters Lagoon	-	45,423
Shovel Ready	-	150,000
Allegheny Landing	585,556	359,870
Artwalk	9,357	25,267
Completing the Loop Planning	93,196	122,123
West End Bridge Planning	474,743	63,028
Allegheny Riverfront Park	343,202	53,417
Capitalization Planning	6,375	16,625
Diversity, Equity & Inclusion Planning	-	12,500
Boat Tours	8,445	9,065
Manchester by the River	-	3,500
Trail Signage	8,113	-
Data Hub	30,000	-
Activation Programming	57,500	-
	<u>\$ 1,816,487</u>	<u>\$ 927,318</u>

## 7. Endowment

As indicated in Note 6, Riverlife received a \$5 million contribution to establish a riverfront care and maintenance fund to be held in perpetuity. The fund will be used for routine, remedial, life-cycle maintenance and related project management. The fund will be invested in exchange traded funds, mutual funds, and other pooled investment vehicles with a moderate growth objective. Riverlife will begin making draws on the fund in the 2025 calendar year, and annual draws will represent 3.25% of the rolling 36-month investment value. The donor requires a 5% annual spending limit on their gift.

# RIVERLIFE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

---

Changes in endowment net assets for the fiscal year ended December 31, 2023 as follows:

	<u>2023</u>
Beginning balance	\$ -
Purchases/reinvestments	5,000,000
Interest/dividend income	65,566
Realized (loss) gain	(10,376)
Unrealized (loss) gain	518,553
Investment fees	<u>(4,418)</u>
Total endowment	<u>\$ 5,569,325</u>

### 8. Line of Credit

Riverlife has a revolving credit agreement, which renews and has maximum borrowings of \$250,000 and interest at the prime lending rate plus 1.00% (8.50% and 7.50% at December 31, 2023 and 2022). There were no borrowings outstanding at December 31, 2023 and 2022.

### 9. 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 \$25,000 and \$23,000 for the years ended December 31, 2023 and 2022, respectively.

### 10. Leases

During 2020, Riverlife entered into a new lease agreement for office space. The effective date of the lease was December 1, 2020; however, rental payments were not required until



# RIVERLIFE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

---

the Commencement Date of the lease, which was April 19, 2021. There are no renewal options included in the lease.

The lease includes fixed rental payments. Total operating lease cost was \$55,414 and \$52,026 as of December 31, 2023 and 2022.

Future minimum payments under the operating lease are as follows:

2024	\$	52,006
2025		52,835
2026		<u>30,982</u>
		135,823
Less effects of discounting		<u>(1,625)</u>
	\$	<u>134,198</u>

As of December 31, 2023 and 2022, the weighted-average remaining lease term is 2.58 and 3.58 years, respectively, and the weighted-average discount rate is .90%. Riverlife used a discount rate equal to the risk-free Treasury rate as of the original lease inception date.

### 11. Concentrations, Commitments, and Contingencies

Approximately, 53% and 42% of Riverlife's contributions receivable are due from one donor as of December 31, 2023 and 2022, respectively.

Under the terms of government 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. See more detail of applicable grants in Note 2.

As of December 31, 2023, Riverlife has three open contracts for subsequent years. The three contracts include Allegheny Landing Park with Studio dwg, West End Bridge Access Structures with El Dorado, Inc., and Allegheny Riverfront Park Restoration with Landscape Architect. The total amount committed is \$2,261,707.