FINANCIAL STATEMENTS

FRIENDS OF THE ST. CLAIR RIVER

DECEMBER 31, 2024

TABLE OF CONTENTS

	Page No.
INDEPENDENT ACCOUNTANT'S AUDIT REPORT……..……..……	1
FINANCIAL STATEMENTS	
Statements of Financial Position…….....……..….	4
Statements of Activities….....……	5
Statements of Functional Expenses…….……..……	6
Statements of Cash Flows…….……...……	7
Notes to Financial Statements……..……	8

AUSTIN, NIESTER, SCHWEIHOFER & FINNEGAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Linda L. Finnegan
Laura L. Schweihofer
Scott A. Ryan
Megan L. Kosto
Caitlin R. Robertson

INDEPENDENT ACCOUNTANT'S AUDIT REPORT

Board of Directors
Friends of the St. Clair River
Port Huron, Michigan

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of the St. Clair River as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Friends of the St. Clair River 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 Friends of the St. Clair River'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.

2425 MILITARY STREET • BLDG 3
PORT HURON, MICHIGAN 48060
TEL. (810) 985-9000 • FAX (810) 985-7257
WEBSITE: www.ansfpc.com

AUSTIN, NIESTER, SCHWEIHOFER & FINNEGAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Linda L. Finnegan
Laura L. Schweihofer
Scott A. Ryan
Megan L. Kosto
Caitlin R. Robertson

Board of Directors
Friends of the St. Clair River
Port Huron, Michigan

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Friends of the St. Clair River's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Friends of the St. Clair River'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.

Comparative Financial Information

The financial statements of Friends of the St. Clair River for the year ended December 31, 2023, were reviewed by us, and accordingly, we expressed limited assurance that we are not aware of any material modifications that should be made to those financial statements. The 2023 financial statements are presented for comparative purposes only. Our opinion of the 2024 financial statements is not modified with respect to the 2023 financial statements.

Other Matter - Prior Year Comparative Information

As discussed in Note J to the financial statements, the prior year comparative amounts have been derived from reviewed financial statements, and certain disclosures may differ from the audited amounts.

2425 MILITARY STREET • BLDG 3
PORT HURON, MICHIGAN 48060
TEL. (810) 985-9000 • FAX (810) 985-7257
WEBSITE: www.ansfpc.com

AUSTIN, NIESTER, SCHWEIHOFER & FINNEGAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Linda L. Finnegan
Laura L. Schweihofer
Scott A. Ryan
Megan L. Kosto
Caitlin R. Robertson

Board of Directors
Friends of the St. Clair River
Port Huron, Michigan

Other Matter - Allocation Methodology and Program Classifications

As discussed in Note H to the financial statements, during the year ended December 31, 2024, the Organization revised its method of allocating certain supporting service expenses among program and supporting functions to better reflect the relative use of resources. In addition, the Organization realigned and redefined its program service categories to more accurately present the nature of its activities in achieving its mission. Accordingly, amounts reported for program and supporting services in the accompanying financial statements are not directly comparable to those reported in the prior year reviewed financial statements. Our opinion is not modified with respect to these matters to the December 31, 2024 financial statements.

Austin, Niester, Schweihofer & Finnegan, P.C.

Certified Public Accountants

October 21, 2025
Port Huron, Michigan

2425 MILITARY STREET • BLDG 3
PORT HURON, MICHIGAN 48060
TEL. (810) 985-9000 • FAX (810) 985-7257
WEBSITE: www.ansfpc.com

FRIENDS OF THE ST. CLAIR RIVER

STATEMENTS OF FINANCIAL POSITION

December 31, 2024 (Audited) and 2023 (Reviewed)

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	$ 31,223	$ 258,459
Restricted cash	20,000	-
Due from employee	37	-
Contract assets	20,871	26,326
Prepaid expenses	900	-
Unrestricted promises to give	-	25,000
TOTAL CURRENT ASSETS	73,031	309,785
RIGHT-OF-USE ASSETS - OPERATING LEASE		
Operating lease right of use asset, net	67,905	67,905
Less accumulated amortization	40,720	27,303
TOTAL LEASE ASSETS	27,185	40,602
INVESTMENTS	130,785	-
OTHER ASSETS		
Security deposit	1,000	1,000
Beneficial interest in non endowed funds held by the Community Foundation	27,352	-
TOTAL OTHER ASSETS	28,352	1,000
TOTAL ASSETS	$ 259,353	$ 351,387
CURRENT LIABILITIES		
Accounts payable	$ 3,888	$ 2,810
Payroll liabilities	7,396	3,895
Accrued expenses	1,562	4,519
Contract obligations	-	50,000
Current portion of operating lease liability	14,400	13,800
TOTAL CURRENT LIABILITIES	27,246	75,024
LONG TERM LIABILITIES		
Operating lease liabilities, less current portion	14,644	28,602
TOTAL LONG TERM LIABILITIES	14,644	28,602
TOTAL LIABILITIES	41,890	103,626
NET ASSETS		
Without donor restrictions	197,463	247,761
With donor restrictions	20,000	-
TOTAL NET ASSETS	217,463	247,761
TOTAL LIABILITIES AND NET ASSETS	$ 259,353	$ 351,387

See Independent Accountant's Audit Report and Notes To Financial Statements.

FRIENDS OF THE ST. CLAIR RIVER

STATEMENTS OF ACTIVITIES

Years Ending December 31, 2024 (Audited) and 2023 (Reviewed)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES, GAINS, AND OTHER SUPPORT				
Contributions	$ 31,528	$ -	$ 31,528	$ 152,902
Program Services	222,316	20,000	242,316	134,014
Interest	5,194	-	5,194	44
Unrealized gain on investments	1,693	-	1,693	-
Unrealized gain on beneficial interest in non-endowed fund	1,247	-	1,247	-
Loss on beneficial interest in non-endowed fund	(28)	-	(28)	-
Gain on investments	90	-	90	-
Miscellaneous support	4,413	-	4,413	-
Fundraising	37,014	-	37,014	33,188
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	303,467	20,000	323,467	320,148
EXPENSES				
Program services	259,455	-	259,455	86,809
Management and general	38,570	-	38,570	161,595
Fundraising	55,740	-	55,740	16,409
TOTAL EXPENSES	353,765	-	353,765	264,813
(DECREASE) INCREASE IN NET ASSETS	(50,298)	20,000	(30,298)	55,335
NET ASSETS AT BEGINNING OF YEAR	247,761	-	247,761	192,426
NET ASSETS AT END OF YEAR	$ 197,463	$ 20,000	$ 217,463	$ 247,761

See Independent Accountant's Audit Report and Notes To Financial Statements.

FRIENDS OF THE ST. CLAIR RIVER

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ending December 31, 2024 (Audited) and 2023 (Reviewed)

	Program Services				Supporting Services		2024	2023
	Water	Land	Education	Recreation	Administrative	Fundraising	Total	Total
Advertising	$ 1,188	$ 128	$ 128	$ 128	$ 128	$ 128	$ 1,828	$ 20,247
Contract labor	3,901	-	-	-	-	-	3,901	103,232
Consulting	587	162	783	39,905	-	-	41,437	44,622
Field	2,048	1,855	181	181	-	-	4,265	3,075
Printing	2,004	57	57	230	57	57	2,462	3,843
Computer costs	3,479	3,479	3,479	3,479	3,479	3,479	20,874	3,264
Professional fees	-	-	-	-	11,095	-	11,095	9,290
Website	4,895	81	1,008	81	81	81	6,227	1,959
Education	1,229	211	198	198	198	198	2,232	2,991
Insurance	355	355	355	355	355	355	2,130	2,777
Operating lease costs	1,926	1,926	1,926	1,927	1,927	1,927	11,559	14,288
Training	120	115	70	70	70	70	515	5,405
Registration fees	266	266	266	266	266	852	2,182	2,171
Wages	55,044	33,079	17,189	22,257	13,689	13,689	154,947	14,142
Payroll taxes	4,759	2,814	1,455	1,872	1,174	1,174	13,248	1,326
Office expense	379	379	389	379	379	379	2,284	3,189
Miscellaneous	23	23	23	16,652	23	23	16,767	1,832
Postage	246	230	121	122	122	122	963	3,694
Fund raising expense	-	-	-	-	-	16,764	16,764	15,864
Travel	509	435	370	553	344	344	2,555	1,943
Meeting	244	310	244	283	244	244	1,569	1,308
Facilities	239	239	239	239	239	239	1,434	814
Events	-	-	-	-	-	12,560	12,560	3,047
Employee benefits	3,053	3,053	3,053	3,053	3,053	3,055	18,320	-
Bank fees	-	-	-	-	1,647	-	1,647	490
	$ 86,494	$ 49,197	$ 31,534	$ 92,230	$ 38,570	$ 55,740	$ 353,765	$ 264,813

See Independent Accountant's Audit Report and Notes To Financial Statements.

FRIENDS OF THE ST. CLAIR RIVER

STATEMENTS OF CASH FLOWS

Years Ending December 31, 2024 (Audited) and 2023 (Reviewed)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) Increase in net assets	$ (30,298)	$ 55,335
(Increase) decrease in assets		
Contract assets	5,455	(26,326)
Prepaid expenses	(900)	-
Unrestricted promises to give	25,000	(25,000)
Operating lease right-of-use asset, net	13,417	(2,468)
Beneficial interest in non-endowed funds held by the Community Foundation	(27,352)	-
Increase (decrease) in liability		
Accounts payable	1,078	2,810
Payroll liabilities	3,501	3,895
Accrued expenses	(2,957)	4,519
Contract obligations	(50,000)	-
Operating lease liability	(13,358)	2,956
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(76,414)	15,721
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(130,785)	-
Payment to employee	(37)	-
NET CASH USED BY INVESTING ACTIVITIES	(130,822)	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(207,236)	15,721
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	258,459	242,738
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 51,223	$ 258,459

See Independent Accountant's Audit Report and Notes To Financial Statements.

FRIENDS OF THE ST. CLAIR RIVER

NOTES TO FINANCIAL STATEMENTS

Years Ending December 31, 2024 (Audited) and 2023 (Reviewed)

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Friends of the St. Clair River (the Organization) assists the community by using citizen action through stewardship, monitoring and education to restore, protect and enhance the St. Clair River and its watersheds. They receive grant funds and do annual fundraising to support their efforts to preserve and improve the St. Clair River and its watersheds.

Basis of Presentation

The financial statements are prepared in accordance with generally accepted accounting principles in the United States of America, and report information regarding financial position and activities according to two classes of net assets: those subject to restriction by donors; and those which are unrestricted as to their usage.

Net assets of the Organization are classified as without donor restrictions, or with donor restriction depending on the characteristics of donor-imposed restrictions limiting the Organization's ability to use or dispose of contributed assets. Donor-imposed restrictions that expire with the passage of time or can be removed by meeting certain requirements result in a classification as "Net assets with donor restrictions". Earnings, gains and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor. There were $20,000 and $0 of net assets subject to donor restrictions as of December 31, 2024 and 2023, respectively.

Revenue Recognition

The Organization adopted FASB ASC Topic 606, *Revenue from Contracts with Customers*, as of January 1, 2018. Management evaluated its revenue streams to determine the applicability of ASC 606 versus ASC 958, *Not-for-Profit Entities*. The Organization accounts for the majority of its revenue under ASC 958, with exchange transactions from fundraising activities recognized under ASC 606. The adoption of ASC 606 did not result in a material change to the Organization’s revenue recognition practices.

The Organization receives funding from federal, state, and local governments, as well as private foundations and individuals. These agreements are generally classified as contributions under ASC 958, as the resource providers do not receive commensurate value in exchange for the funding.

Conditional contributions, including cost-reimbursement grants, are recognized as revenue when the specified conditions are substantially met. Amounts received in advance of meeting conditions are reported as refundable advances.

Unconditional contributions are recognized as revenue when received, and classified as with or without donor restrictions depending on donor stipulations.

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

The Organization also engages in limited exchange transactions, primarily through its annual Sturgeon Fest Fundraiser, which are accounted for in accordance with ASC 606.

Merchandise sales are recognized at the point in time when control of the goods transfers to the customer.

Ticket sales for the Huron Lady Sturgeon Cruise are recognized at the time the cruise takes place, when the performance obligation is satisfied.

Voluntary contributions received during the fundraiser without commensurate value provided are accounted for as contributions under ASC 958.

Expenses directly related to such transactions are recorded as incurred and presented within expenses.

Primary Revenue Streams

Revenue consists primarily of fundraising revenue, contract revenue, and grant revenue. Fundraising revenues are recorded on the date of the event. Contract revenues are recorded once invoices are submitted to the third party and cash is received. Grant revenues are recorded on the date of the agreement between the third party and the Organization. The Organization's management has determined that this method provides a faithful depiction of the transfer to services.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization. These services do not meet the criteria for recognition as contributed services. The organization received 1,103 volunteer hours from over 531 volunteers in 2024 at a value of $38,355 and received 1,168 hours from over 501 volunteers in 2023 at a value of $39,116.

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without restrictions depending on the existence or nature of any donor restrictions.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Management is required to recognize the impact of significant uncertain tax positions in the Organization's financial statements for all open tax years. Previous tax years open to Federal examination include 2021, 2022, and 2023. As of December 31, 2024, management has concluded there were no significant uncertain income tax positions requiring recognition in the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Advertising

Advertising primarily consists of promoting their fundraising events and to inform the public on the current accomplishments of the Organization. The total advertising and outreach costs of $1,828 and $20,247 were incurred and expensed as of December 31, 2024 and 2023, respectively.

Contract Balances

The timing of revenue recognition, billings, and cash collections results in contract assets and contract obligations. Contract assets would exist when the Organization has a contract with a customer for which revenue has been recognized but customer payment is contingent on a future event. The Organization records receivables when the right to consideration become unconditional and are presented separately in the statements of financial positions. Contract obligations may include advances and unearned revenue when the Organization receives payments from members/customers before the revenue is recognized and are presented separately in the statements of financial position. Contract assets amounted to $20,871 and $26,326 as of December 31, 2024 and 2023, respectively. Contract obligations amounted to $0 and $50,000 as of December 31, 2024 and 2023, respectively. Accounts receivable were $0 at December 31, 2024 and 2023, respectively.

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Expense Allocation

The cost of providing program services and supporting (management and general) services have been reported on a functional basis in the statement of functional expenses. Accordingly, certain indirect costs have been allocated between program, fundraising, and supporting services using appropriate bases. The total amount of expense allocated to fundraising for 2024 was $25,827 which relates to various overhead accounts including wage expense, payroll taxes, rent, and other costs.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on management's analysis of specific promises made. Management has determined no allowance is necessary for the years ended December 31, 2024 and 2023, respectively.

The unrestricted promise to give reported within the statement of financial position is considered current and due within one year. The unrestricted promise to give is recognized at fair value and will be used for general operations.

Investments

Investments are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investments consist of debt and equity securities.

NOTE B - CASH AND CASH EQUIVALENTS

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statement of financial position that sum to the amounts shown in the statement of cash flows:

	2024	2023
Cash and cash equivalents	$ 31,223	$ 258,459
Restricted cash	20,000	-
	$ 51,223	$ 258,459

NOTE C - CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash and cash equivalent accounts at several financial institutions. The balances are insured by the Federal Deposit Insurance Company up to $250,000. At December 31, 2024 the Organization's uninsured cash and cash equivalent balance was $0. At December 31, 2023 the Organization's uninsured cash and cash equivalent balance was $2,966.

Revenue from two grants represents 52% and 36% of the total revenue, gains, and other support for the year ended December 31, 2024 and 2023, respectively.

NOTE D - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

There were $20,000 and $0 donor restricted amounts reported on the Statement of Financial Position at December 31, 2024 and 2023, respectively, see Note B of the financial statements. Financial assets available to meet cash needs for the general expenditure within one year was $51,223. As part of the Organization's liquidity management, all financial assets are held as cash and investments.

NOTE E - LEASES

The Organization leases its space under an operating lease. The lease was renewed during 2023 to extend the lease terms for an additional 3 years. A lease renewal option has not been discussed as of December 31, 2024, therefore, no renewal option has been included within the calculation of lease assets and liabilities.

The following summarizes the line items in the Statement of Financial Position which include amounts for operating leases as of December 31, 2024 and 2023:

	2024	2023
Operating lease right-of-use asset (net)	$ 27,185	$ 40,602
Current portion of operating lease liability	14,400	13,800
Operating lease liability, less current portion	14,644	28,602
Total operating lease liability	$ 29,044	$ 42,402

NOTE E - LEASES (continued)

The components of operating lease expenses that are included in the Statement of Functional Expenses for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Operating lease costs	$ 11,559	$ 14,288

The following summarizes the cash flow information related to the operating lease for the years ended December 31, 2024 and 2023:

	2024	2023
Operating cash flows for operating leases	$ 59	$ 488

Weighted average lease term and discount rate of as December 31, 2024 were as follows:

Weighted average remaining lease term	2.0 years
Weighted average discount rate	1.26%

The maturity of the operating lease liability as of December 31, 2024, were as follows:

Year ended December 31,	2025	$ 14,400
	2026	15,000
	2027	-
	2028	-
	2029	-
	Total lease payment	29,400
	Less: Interest	(356)
	Present value of lease liability	$ 29,044

NOTE F - BENEFICIAL INTEREST IN NON-ENDOWED FUNDS HELD BY COMMUNITY FOUNDATION

The Organization has transferred assets to the St. Clair County Community Foundation (the "Foundation") which is holding them as a non-endowed component fund ("Fund") for the benefit of the Organization. The Organization has granted the Foundation variance power which gives the Foundation's Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is considered a non-endowed (non-permanent) fund; therefore, the Organization may use the full value of the fund at any time. The Fund is subject to the Foundation's investment and spending policies which currently states the Fund's net income shall be made available to assist the Organization in the fulfillment of their mission. The Organization reports the fair value of the Fund as Beneficial Interest in non-endowed funds held by Community Foundation in the statement of financial position and reports distributions received as investment income. Changes in the value of the Fund are reported as gains or losses in the statement of activities. Changes in the Fund for the year ended December 31, 2024 are as follows:

	Non-endowed fund
January 1, 2024	$ -
Contributions	25,800
Investment return (net)	1,830
Amounts appropriated for expenditure	(278)
December 31, 2024	$ 27,352

The following methods and assumptions were used by the Organization in estimating the fair value of other financial instruments, which consist of investments and custodial funds. As defined in FASB Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Organization utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Organization primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information.

FASB ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

NOTE F - BENEFICIAL INTEREST IN NON-ENDOWED FUNDS HELD BY COMMUNITY FOUNDATION (continued)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to measurements involving significant unobservable inputs (Level 3).

The following is a summary of assets held at fair value at December 31, 2024:

Description	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in non-endowed funds held at the Community Foundation of St. Clair County	$ 27,352	$ -	$ -	$ 27,352

NOTE G - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Cost and fair value of marketable debt and equity securities at December 31, 2024 is as follows:

	Amortized Cost	Unrealized Gain (Loss)	Bank Fees	Fair Value
Available for Sale:	December 31, 2024			
Mutual Funds (Level 1)	$ 129,626	$ 1,693	$ (534)	$ 130,785

The change in net unrealized holding gain on securities available for sale in the amounts of $1,247 has been charged to unrealized gain on investments for the year ended December 31, 2024.

The fair value of all mutual fund securities has been measured on a recurring basis using Level 1 inputs, which are based on unadjusted quoted market prices within active markets. There have been no changes in valuation techniques and related inputs.

NOTE H - CHANGES IN ACCOUNTING PRINCIPLES

Effective January 1, 2024, the Organization changed its accounting principles for allocating shared expenses between program services and supporting activities as well as updating the type of programs used to allocate expenses to better reflect the Organization's programs.

Previously, certain shared expenses, including occupancy costs and administrative salaries, were not allocated towards fundraising expenses. The new methodology allocates these shared expenses based on estimated employee time and effort spent on program activities, supporting activities, and fundraising activities.

Previously, program activities were three major grants the Organization obtained. The new methodology allocates grants and contracts to four different programs: land, water, education, recreation.

This changes in accounting principle was adopted to better reflect the underlying utilization of resources and provide a more accurate representation of the full cost of delivering the Organization's program services, fundraising services, and supporting services.

The change in accounting principle has been applied prospectively from January 1, 2024, due to the impracticability of determining the effect of the change on all prior periods. The Organization's previous expense allocation methodology and program breakdowns did not involve the collection of sufficiently detailed employee time and effort data to allow for the reliable restatement of prior-period financial statements. Furthermore, the significant estimates that would be required to apply the new principle retrospectively could not be made without using hindsight, which is not permitted under GAAP.

As a result of this prospective application, comparative prior-period financial statements have not been restated. Consequently, the expense allocations and program activities reported for the year ended December 31, 2023, are not comparable with the allocations reported for the year ended December 31, 2024, and in subsequent periods.

While the lack of restatement impacts the comparability of the 2024 financial statements with those of prior years, the use of the new, preferable accounting principle will enhance comparability and transparency in all future reporting periods.

NOTE I - EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 21, 2025 the date which the financial statements were available to be issued and has determined that there were no material events that occurred.

NOTE J - PRIOR YEAR FINANCIAL STATEMENTS

The financial statements for the year ended December 31, 2023, were reviewed by this firm, and we express no opinion on those statements. The accompanying financial statements as of and for the year ended December 31, 2024, were audited, and we have expressed an unmodified opinion on those statements.