California Trout, Inc.

Combined Financial Statements

June 30, 2024
(With Comparative Totals for 2023)

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
California Trout, Inc.
San Francisco, California

Opinion

We have audited the accompanying combined financial statements of California Trout, Inc. (a California nonprofit corporation) ("California Trout"), which comprise the combined statement of financial position as of June 30, 2024, and the related combined statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of California Trout, Inc. as of June 30, 2024, and the changes in their net assets and their 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 California Trout, Inc. 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.

Change in Accounting Principle

As described in Note 2 to the financial statements, California Trout has adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about California Trout, Inc.'s ability to continue as a going concern within one year after the date that the combined 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 combined 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 combined 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 combined 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 combined 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 California Trout, Inc.'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about California Trout, Inc.'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.

Report on Summarized Comparative Information

We have previously audited California Trout, Inc.'s 2023 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated March 29, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Armanino LLP

San Francisco, California

March 19, 2025

California Trout, Inc.
Combined Statement of Financial Position
June 30, 2024
(With Comparative Totals for 2023)

	2024	2023
ASSETS		
Cash and cash equivalents	$ 6,563,034	$ 6,254,952
Contracts receivable	3,247,934	4,870,188
Contributions receivable	643,500	849,609
Prepaid and other current assets	192,433	45,224
Other assets	87,619	92,318
Operating lease right-of-use asset	923,848	1,157,257
Property and equipment, net	1,160,067	1,171,633
Total assets	$ 12,818,435	$ 14,441,181
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 3,074,128	$ 3,528,230
Accrued expenses	636,559	479,704
Deferred revenue	117,547	-
Loan payable	1,250,000	2,000,000
Operating lease liability	947,843	1,174,842
Total liabilities	6,026,077	7,182,776
Net assets		
Without donor restrictions		
Undesignated	4,778,399	3,334,496
Impact Fund	671,920	1,871,920
Total without donor restrictions	5,450,319	5,206,416
With donor restrictions	1,342,039	2,051,989
Total net assets	6,792,358	7,258,405
Total liabilities and net assets	$ 12,818,435	$ 14,441,181

The accompanying notes are an integral part of these combined financial statements.

California Trout, Inc.
Combined Statement of Activities
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	Without Donor Restrictions			With Donor	2024	2023
	Undesignated	Impact Fund	Total	Restrictions	Total	Total
Revenues and support						
Contributions - corporate and foundations	$ 182,000	$ -	$ 182,000	$ 1,417,133	$ 1,599,133	$ 933,723
Contributions - individuals	4,470,874	-	4,470,874	136,000	4,606,874	3,701,672
Government and other contracts	16,510,044	-	16,510,044	-	16,510,044	14,657,941
Contributed services	-	-	-	-	-	498,800
Interest income	264,290	-	264,290	-	264,290	147,496
Product sales and other	335,350	-	335,350	-	335,350	263,332
Net assets released from restriction	3,463,083	(1,200,000)	2,263,083	(2,263,083)	-	-
Total revenues and support	25,225,641	(1,200,000)	24,025,641	(709,950)	23,315,691	20,202,964
Functional expenses						
Programs	20,362,964	-	20,362,964	-	20,362,964	18,524,835
Support services						
Management and general	1,509,098	-	1,509,098	-	1,509,098	1,476,103
Fundraising	1,909,676	-	1,909,676	-	1,909,676	1,640,937
Total support services	3,418,774	-	3,418,774	-	3,418,774	3,117,040
Total functional expenses	23,781,738	-	23,781,738	-	23,781,738	21,641,875
Change in net assets	1,443,903	(1,200,000)	243,903	(709,950)	(466,047)	(1,438,911)
Net assets, beginning of year	3,334,496	1,871,920	5,206,416	2,051,989	7,258,405	8,697,316
Net assets, end of year	$ 4,778,399	$ 671,920	$ 5,450,319	$ 1,342,039	$ 6,792,358	$ 7,258,405

California Trout, Inc.
Combined Statement of Functional Expenses
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	Programs	Management and General	Fundraising	2024 Total	2023 Total
Salaries, wages, and benefits	$ 4,157,331	$ 1,173,621	$ 1,078,082	$ 6,409,034	$ 5,297,626
Consulting, technology, and professional services	14,748,391	135,909	267,196	15,151,496	14,198,828
Entertainment and hospitality	16,755	15,200	313,023	344,978	441,811
Occupancy	386,901	30,826	30,218	447,945	402,171
Supplies	186,618	22,513	39,173	248,304	333,647
Travel and lodging	281,556	25,768	28,804	336,128	252,428
Repairs and maintenance	250,608	21,362	14,630	286,600	185,058
Publications and subscriptions	44,291	30,805	14,770	89,866	98,660
Printing and copying	50,982	67	38,801	89,850	97,136
Meetings and conferences	65,431	23,689	30,434	119,554	78,128
Postage and shipping	4,872	255	8,620	13,747	56,905
Telephone and internet	51,560	20,599	10,169	82,328	52,833
Insurance	32,234	3,921	3,844	39,999	38,390
Bank charges and fees	21,931	3,729	10,341	36,001	30,351
Depreciation	37,068	-	-	37,068	23,640
Miscellaneous	3,908	(272)	14,020	17,656	23,435
Advertising, marketing, and publicity	15,949	-	6,466	22,415	19,201
Interest expense	6,578	1,106	1,085	8,769	11,627
	$ 20,362,964	$ 1,509,098	$ 1,909,676	$ 23,781,738	$ 21,641,875

California Trout, Inc.
Combined Statement of Cash Flows
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	2024	2023
Cash flows from operating activities		
Change in net assets	$ (466,047)	$ (1,438,911)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	37,068	23,640
Amortization of operating lease right-of-use asset	340,191	276,823
Changes in operating assets and liabilities		
Contracts receivable	1,622,254	(499,410)
Contributions receivable	206,109	636,934
Prepaid expenses	(129,624)	26,350
Other assets	(12,886)	(13,292)
Accounts payable	(454,102)	722,081
Accrued expenses	156,855	68,137
Deferred revenue	117,547	-
Operating lease liability	(333,781)	(259,238)
Net cash provided by (used in) operating activities	1,083,584	(456,886)
Cash flows from investing activities		
Acquisition of property and equipment	(25,502)	(101,615)
Net cash used in investing activities	(25,502)	(101,615)
Cash flows from financing activities		
Proceeds from loan payable	-	2,000,000
Principal payments on loan payable	(750,000)	(750,000)
Net cash provided by (used in) financing activities	(750,000)	1,250,000
Net increase in cash and cash equivalents	308,082	691,499
Cash and cash equivalents, beginning of year	6,254,952	5,563,453
Cash and cash equivalents, end of year	$ 6,563,034	$ 6,254,952

Supplemental disclosure of cash flow information

	2024	2023
Cash paid during the year for interest	$ 8,769	$ 11,627

Supplemental schedule of noncash investing and financing activities

	2024	2023
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	$ 106,782	$ 1,434,080

The accompanying notes are an integral part of these combined financial statements.

1. NATURE OF OPERATIONS

California Trout, Inc. and California Trout Foundation are California tax-exempt, non-profit corporations. California Trout, Inc. was established in 1971 for the purpose of undertaking programs and activities to conserve and enhance the wild trout and salmon and their natural habitat within California. Additionally, California Trout Inc. fundraises to finance charitable, scientific and educational research projects, and to preserve and rehabilitate public trout and steelhead fisheries in California. California Trout Foundation (the "Foundation") is a sister organization of California Trout Inc. with the primary purpose of holding title to conserved land properties. California Trout Inc. and the Foundation are collectively referred to as "California Trout" or the "Organization" within the notes to the combined financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The accompanying combined financial statements include the accounts of California Trout Inc. and the Foundation. All intercompany activities have been eliminated in combination. The combined financial statements of California Trout have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

California Trout reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

- *Net assets without donor restrictions* - Net assets without donor restrictions generally result from revenue obtained by providing services in connection with contracts with governmental and quasi-government agencies, and receiving contributions and interest and dividends that are not restricted by donor-imposed stipulations. The governing board has the ability to designate, from net assets without donor restrictions, net assets for an operating reserve or board-designated endowment, but has opted not to do so as of June 30, 2024. Included in net assets without donor restrictions is undesignated net assets and management designated net assets resulting from Impact Fund contributions earmarked for use in future periods.

- *Net assets with donor restrictions* - California Trout reports donations and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. This includes donor imposed stipulations that either expire by passage of time and/or can be fulfilled and removed by actions of the Organization, or donor-imposed stipulations that are restricted in perpetuity. When a donor restriction expires or the purpose restriction is accomplished, the restricted net assets are reclassified and reported in the combined statement of activities as net assets released from restrictions. Contributions restricted for capital improvements are released to net assets without donor restrictions at the time the funds are expended for the specified improvement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of expected credit losses for the remaining estimated life of the financial asset using historical experience, current conditions and reasonable and supportable forecasts. Financial assets held by California Trout that are subject to the guidance in FASB ASC 326 are contracts receivable.

California Trout adopted the standard effective July 1, 2023. The adoption of this standard did not have a material impact on California Trout's financial statements.

Cash and cash equivalents

California Trout's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

Concentrations of credit risk

Financial instruments that potentially subject California Trout to concentrations of credit risk consist principally of cash and cash equivalents. California Trout maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. California Trout manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy.

As of June 30, 2024, contracts receivable from four donors represent approximately 77% of gross contracts receivable. As of June 30, 2024, contributions receivable from four donors represent approximately 76% of gross contributions receivable. For the year ended June 30, 2024 one donor comprised 12% of total contribution revenue.

To date, California Trout has not experienced losses in any of these accounts. Credit risk associated with accounts, grants, and contracts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and reputable organizations and foundations supportive of California Trout's mission.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contracts receivable

Contracts receivable represent amounts due from contracts with governmental and quasi-governmental entities. Revenue is recorded when earned upon completion of the services or when California Trout has incurred expenditures in compliance with specific contract or grant provisions. Management estimates an allowance for credit losses based on a review of specific amounts outstanding longer than thirty days, historical loss experience, and management's assessment of current conditions and reasonable and supportable expectations of future conditions. There was no allowance for credit losses as of June 30, 2024 as all amounts were deemed collectible.

Contributions and promises to give

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the barrier has been overcome and right of release/right of return no longer exists. Contributions receivable that are promised in one year but are not expected to be collected until after the end of that year are discounted at an appropriate discount rate commensurate with the risks involved. No discount has been recorded as of June 30, 2024 as the amount was determined to be immaterial.

An allowance for uncollectible contributions receivable is established based on management's judgment, the review of the composition of the balances and past experience. There was no allowance for uncollectible contributions receivable at June 30, 2024 as all balances were considered collectible.

A portion of California Trout's revenue is derived from cost-reimbursable contracts from governmental agencies, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. The revenue generated from these contracts meets the criteria to be classified as conditional contributions as they contain barriers related to the incurrence of qualifying expenditures and a right of return or release. Amounts received are recognized as revenues when California Trout has incurred expenditures in compliance with specific contract or grant provisions. The Organization has elected a simultaneous release option to account for these grants. Therefore, they are recorded as government grants without donor restriction upon satisfaction of the barriers. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the combined statement of financial position. There was no deferred revenue related to cost-reimbursable contracts as of June 30, 2024.

Contributed services

Contributed services are reflected at the fair value of the contribution received. The contributions of services are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. For the year ended June 30, 2024, California Trout received no contributed services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed services (continued)

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the combined financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by U.S. GAAP.

Property and equipment

California Trout's policy is to record acquisitions of property and equipment at cost or, if donated, at fair market value on the date of donation.

Depreciation of property and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings	27.5 years
Office equipment	3 - 5 years
Furniture and fixtures	5 - 10 years
Project equipment	5 - 20 years

Costs of maintenance and repairs are expensed. California Trout reviews the carrying values of all assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated economic utility and/or future cash flows expected to result from its use and eventual disposition. No such impairments have been recorded during the year ended June 30, 2024.

Leases

California Trout leases office space and equipment under operating leases. California Trout determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on the combined statement of financial position. The Organization does not have any finance leases.

ROU assets represent California Trout's right to use an underlying asset for the lease term and lease liabilities represent California Trout's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As California Trout's lease does not provide an implicit rate, California Trout uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

California Trout's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

California Trout has elected not to recognize right-of-use assets and lease liabilities for short-term leases and instead records them in a manner similar to operating leases under legacy leasing guidelines. A short-term lease is one with a maximum lease term of 12 months or fewer and does not include a purchase option that the lessee is reasonably certain to exercise.

Functional allocation of expenses

The costs of providing program and other activities have been summarized on a functional basis in the combined statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Certain expenses (such as salaries, wages and related payroll costs, insurance, and occupancy) have been allocated based on time and effort using California Trout's payroll allocations. Other expenses (such as consulting and outside services, design consulting, technology consulting, legal and accounting and other direct costs) have been allocated in accordance with the specific services received.

Income tax

California Trout is required to report information regarding its exposure to various tax positions taken by the Organization and requires a two-step process that separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold; the second step is measuring a tax position that meets the recognition threshold. Management believes that California Trout has adequately evaluated its current tax positions and has concluded that as of June 30, 2024, California Trout does not have any uncertain tax positions for which a reserve or an accrual for a tax liability would be necessary.

California Trout has received notification from the Internal Revenue Service and the State of California that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The exemptions are subject to periodic review by the federal and state taxing authorities and management is confident that California Trout continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status. California Trout may periodically receive unrelated business income requiring California Trout to file separate tax returns under federal and state statutes. Under such conditions, California Trout calculates and accrues the applicable taxes.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures, principally relating to the collectability of contracts and contributions receivable, the estimated useful life of property and equipment, the functional allocation of expenses, the present value discount of future lease payments, and disclosures of contingent assets and liabilities. Accordingly, actual results could differ from those estimates.

3. CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following:

Due in less than one year	$	623,500
Due in one to five years		20,000
	$	643,500

4. PROPERTY AND EQUIPMENT

Property and equipment, net consisted of the following:

Land	$	21,360
Buildings		1,065,308
Office equipment		47,983
Furniture and fixtures		118,022
Project equipment		68,807
		1,321,480
Less accumulated depreciation		(161,413)
	$	1,160,067

Depreciation expense amounted to $37,068 for the year ended June 30, 2024.

5. LINE OF CREDIT

California Trout maintained a $700,000 revolving business line of credit with a bank during the year ended June 30, 2024. The line of credit is secured by equipment and receivables. When utilized, the line of credit bears interest at a variable rate calculated using an index (which is the Prime Rate) plus 0.750 percentage points, and not be less than 4.0% per annum (9.00% at June 30, 2024). The line of credit matured in January 2025. At June 30, 2024, there was no outstanding balance under the line of credit and California Trout was in compliance with all required covenants.

California Trout entered into a new business loan agreement dated January 28, 2025 for a line of credit in the amount of $700,000 and a maturity date of January 28, 2027. Interest on the line of credit will accrue at a variable rate calculated using an index (the Prime Rate as published by the Wall Street Journal) plus 0.250 percentage points, and not to be less than 7.75% per annum (see Note 15).

6. LOAN PAYABLE

On October 26, 2022, California Trout entered into a credit agreement with the David and Lucile Packard Foundation for a term loan in the principal amount of $2,000,000, at 0.50% simple interest per annum, with a maturity date of September 30, 2024. The loan is to pay for project costs incurred by California Trout in undertaking a remediation project in accordance with certain project contracts. Interest payments under the loan are due semi-annually in March and September until the loan is paid in full. A principal payment of $500,000 became due in September 2023 under the terms of the agreement. In November 2023, the loan was amended to extend the maturity date to September 30, 2025 and to revise the principal payment schedule to payments of $750,000 becoming due in March and September 2025. California Trout made an additional principal payment on the loan in the amount of $250,000 in March 2024. The outstanding principle balance on the loan was $1,250,000 as of June 30, 2024.

The future maturities of the loan payable are as follows:

Year ending June 30,	
2025	$ 500,000
2026	750,000
	$ 1,250,000

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

Restricted for a specific purpose	
Shasta programs	$ 471,459
Bay Area programs	84,928
Sierra programs	61,719
South Coast programs	25,187
Statewide programs	123,405
North Coast programs	371,541
	1,138,239
Time restricted grants and contributions	
Impact fund	169,100
Other time restricted grants and contributions	34,700
	203,800
	$ 1,342,039

7. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions released from restriction during the year were as follows:

Shasta programs	$ 231,006
Bay Area programs	137,318
Sierra programs	95,700
South Coast programs	222,265
Statewide programs	400,975
North Coast programs	622,510
Central Valley programs	7,500
Time restricted grants and contributions	545,809
	$ 2,263,083

8. LEASES

California Trout leases its corporate office space in San Francisco under a multi-year operating agreement through May 31, 2027. California Trout is responsible for its proportionate share of building, maintenance, and operating expenses, which includes property taxes, insurance, and utilities. California Trout also separately leases various satellite office locations throughout California under various multi-year and month-to-month operating lease agreements with lease expirations through September 2027.

California Trout leases certain office equipment under short-term operating lease arrangements, which require fixed monthly or quarterly rental payments.

Additional information related to leases is as follows:

Operating lease cost	$ 378,895
Operating cash flows from operating leases	$ 366,485
ROU asset obtained in exchange for lease obligations	$ 106,782
Weighted average remaining lease term	2.67 years
Weighted average discount rate	3.18 %

At June 30, 2024, the operating lease ROU asset and operating lease liability amounted to $923,948 and $947,843, respectively.

8. LEASES (continued)

Future minimum lease payments under non-cancelable leases as of June 30, 2024 were as follows:

Year ending June 30,	
2025	$ 389,801
2026	334,999
2027	256,464
2028	5,625
	986,889
Less: imputed interest	(39,046)
	$ 947,843

9. RETIREMENT PLAN

California Trout offers employees the opportunity for participation in a salary reduction retirement plan qualified under Internal Revenue Code Section 403(b). Distributions from the 403(b) plan are made only pursuant to all applicable laws and regulations. Under the provisions of the plan, California Trout contributed $193,516 to the plan for the year ended June 30, 2024.

10. GOVERNMENT CONTRACTS AND CONCENTRATION

As of June 30, 2024, California Trout is contractually engaged with various federal, state and local government agencies to perform specific tasks related to various restoration projects throughout California. The value of these secured government contracts to be earned in future years is estimated to be approximately $44,313,158 at June 30, 2024. The recognition of the revenue related to these contracts is contingent upon a number of factors and divergent tasks (such as restoration activities), and is also dependent on the timing of the projects.

California Trout receives a significant portion of its support from federal, state, and local governments (amounting to 71% for the year ended June 30, 2024). A reduction in the level of this support could have a material effect on the Organization's programs and activities.

11. CONSULTING AND OUTSIDE SERVICES

During the year ended June 30, 2024, California Trout expended $15,148,996, on a variety of consulting and outside services. A majority of these expenditures pertained to several ongoing program activities.

11. CONSULTING AND OUTSIDE SERVICES (continued)

Consulting, technology, and professional services was comprised of the following:

North Coast programs	$ 6,861,029
South Coast programs	2,086,260
Shasta programs	2,740,256
Eastern Sierra programs	976,689
Bay Area programs	312,351
Central California programs	428,369
Outreach and other program activities	313,957
State of California programs	901,065
Management and general	114,728
Fundraising and development	246,432
IT support	167,860
	$ 15,148,996

12. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2024, members of the Board of Directors contributed $676,594 in donations to California Trout.

13. LIQUIDITY AND AVAILABILITY OF RESOURCES

California Trout regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the safeguarding of its available funds. California Trout has various sources of liquidity at its disposal, including cash and cash equivalents and the future collection of receivables. For purposes of analyzing resources available to meet general expenditures over a 12-month period, California Trout considers all expenditures related to its ongoing activities to conserve and enhance wild trout and salmon and their natural habitat within California to be general expenditures.

In addition to the financial assets available to meet general expenditures over the 12 months, California Trout operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

13. LIQUIDITY AND AVAILABILITY OF RESOURCES (continued)

The following is a quantitative disclosure which describes assets that are available or expected to be available within one year to fund general expenditures and other obligations as they become due:

Financial assets	
Cash and cash equivalents	$ 6,563,034
Contracts receivable	3,247,934
Contributions receivable	643,500
	10,454,468
Less: amounts not available to be used within one year	
Noncurrent portion of contributions receivable without restrictions	(20,000)
Donor-imposed restrictions	(1,138,239)
	(1,158,239)
	$ 9,296,229

Certain of the support that California Trout receives is restricted by donors. Because donor restrictions require resources to be used in a particular manner or in a future period, California Trout must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. Contributions receivable due within one year and that hold no purpose restriction will be available for general expenditure over the next year.

As part of California Trout's liquidity management, it has a policy to maintain operating cash equal to four months of operating expenses. As described in Note 5, California Trout also has an available line of credit in the amount of $700,000 upon which it could draw.

14. COMMITMENTS, CONTINGENCIES AND RISKS

In the normal course of business there are outstanding various commitments and contingent liabilities, such as commitments to enter into contracts and future projects, which are not reflected in the combined financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) Grant restrictions, donor conditions, and government contracts which obligate California Trout to fulfill certain requirements, conditions, and activities, (b) Funding levels which vary based on factors beyond California Trout's control, such as generosity of donors and general economic conditions, (c) Employment and service agreements with key management personnel, and (d) Financial risks associated with funds on deposit at bank and investment brokerage accounts. Management believes that such commitments, contingencies and risks will not have a material adverse effect on the combined financial statements. Certain of the grants and contracts (including current and prior costs) are subject to audit and final acceptance by the granting organizations.

14. COMMITMENTS, CONTINGENCIES AND RISKS (continued)

Federal grant funding

In January 2025, the current administration initiated a number of executive actions, many of which impact Federal agencies that provide funding to organizations. The Organization receives funding from federal programs, all of which are currently under review by the Trump administration as part of an evaluation of approximately 2,600 federal programs. The Organization received approximately $6,200,000 in direct or pass-through funding for federal programs during the year ended June 30, 2024, which are included in the list of federal programs under review. There is significant legal challenges being made against many of these actions, however what the ultimate outcome will be is uncertain. As a result, there is a risk that future funding may be reduced, restructured, or eliminated. Any such changes could impact the organization's ability to continue certain programs or services that rely on this funding. Management is monitoring these developments and will assess their impact as more information becomes available. What the ultimate outcome will be is uncertain.

15. SUBSEQUENT EVENTS

California Trout has evaluated subsequent events through March 19, 2025, the date the financial statements were available to be issued. There were no other subsequent events, other than as described below, that would require adjustments to or disclosures in the accompanying financial statements.

California Trout entered into a new business loan agreement dated January 28, 2025 for a revolving line of credit in the amount of $700,000. The line of credit matures on January 28, 2027 with interest accruing at a variable rate calculated using an index (the Prime Rate as published by the Wall Street Journal) plus 0.250 percentage points, and not to be less than 7.75% per annum.