



# **BACKCOUNTRY HUNTERS & ANGLERS**

**(A NONPROFIT ORGANIZATION)**

**AUDITED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 and 2022**

# **BACKCOUNTRY HUNTERS & ANGLERS**

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**JCCS**

**ACCOUNTING  
AUDIT  
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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors and Management  
Backcountry Hunters & Anglers  
Missoula, Montana

### **Opinion**

We have audited the accompanying financial statements of Backcountry Hunters & Anglers (a nonprofit corporation), 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 Backcountry Hunters & Anglers, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Backcountry Hunters & Anglers 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 Backcountry Hunters & Anglers' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

*Junkermier, Clark, Campanella, Stevens, P.C.*

Missoula, Montana  
May 24, 2024

**BACKCOUNTRY HUNTERS & ANGLERS**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,551,029	\$ 1,435,898
Accounts receivable	11,997	8,103
Grants receivable - current	590,227	97,500
Pledges receivable	138,150	223,995
Inventory	247,583	320,328
Prepaid expenses	39,029	50,214
<b>Total Current Assets</b>	<u>2,578,015</u>	<u>2,136,038</u>
<b>Property and Equipment</b>		
Office furniture and equipment	66,978	72,278
Website	31,079	31,079
Trademarks	5,336	5,336
Accumulated depreciation and amortization	(67,290)	(55,678)
<b>Total Property and Equipment</b>	<u>36,103</u>	<u>53,015</u>
<b>Other Assets</b>		
Grants receivable - noncurrent	-	7,500
Right of use asset	78,007	60,296
<b>Total Other Assets</b>	<u>78,007</u>	<u>67,796</u>
<b>Total Assets</b>	<u>\$ 2,692,125</u>	<u>\$ 2,256,849</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 127,919	\$ 124,566
Accrued wages	63,708	64,738
Lease liability - short term	33,608	42,325
Contract liabilities	19,172	38,713
<b>Total Current Liabilities</b>	<u>244,407</u>	<u>270,342</u>
<b>Long Term Liabilities</b>		
Lease liability - long term	44,399	17,971
<b>Total Liabilities</b>	<u>288,806</u>	<u>288,313</u>
<b>Net Assets</b>		
Without Donor Restriction	1,430,775	1,475,088
With Donor Restriction	972,544	493,448
<b>Total Net Assets</b>	<u>2,403,319</u>	<u>1,968,536</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 2,692,125</u>	<u>\$ 2,256,849</u>

See the independent auditors' report and the accompanying notes to the financial statements.

**BACKCOUNTRY HUNTERS & ANGLERS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>Support and Revenues</b>			
Grant revenues	\$ 1,683,563	\$ 714,167	\$ 2,397,730
Business sponsors	456,193	29,844	486,037
Events and miscellaneous	934,368	-	934,368
Regular membership	754,355	50,386	804,741
Donations	442,579	37,808	480,387
Interest	12,002	-	12,002
In-kind revenue	628,491	-	628,491
Merchandise revenue	182,076	-	182,076
Net assets released from restrictions	<u>353,109</u>	<u>(353,109)</u>	<u>-</u>
<b>Total Revenues</b>	<u>5,446,736</u>	<u>479,096</u>	<u>5,925,832</u>
<b>Expenses</b>			
Program services	4,671,938	-	4,671,938
Management and general	295,017	-	295,017
Fundraising	<u>524,094</u>	<u>-</u>	<u>524,094</u>
<b>Total Expenses</b>	<u>5,491,049</u>	<u>-</u>	<u>5,491,049</u>
<b>Change in Net Assets</b>	(44,313)	479,096	434,783
<b>Net Assets, Beginning of Year</b>	<u>1,475,088</u>	<u>493,448</u>	<u>1,968,536</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 1,430,775</u></u>	<u><u>\$ 972,544</u></u>	<u><u>\$ 2,403,319</u></u>

See the independent auditors' report and the accompanying notes to the financial statements.

**BACKCOUNTRY HUNTERS & ANGLERS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>Support and Revenues</b>			
Grant revenues	\$ 1,042,532	\$ 224,453	\$ 1,266,985
Business sponsors	423,640	30,427	454,067
Events and miscellaneous	726,637	-	726,637
Regular membership	939,336	57,903	997,239
Donations	581,383	74,198	655,581
Interest	810	-	810
In-kind revenue	587,723	-	587,723
Merchandise revenue	231,516	-	231,516
Net assets released from restrictions	<u>1,123,561</u>	<u>(1,123,561)</u>	<u>-</u>
<b>Total Revenues</b>	<u>5,657,138</u>	<u>(736,580)</u>	<u>4,920,558</u>
<b>Expenses</b>			
Program services	5,468,885	-	5,468,885
Management and general	311,258	-	311,258
Fundraising	<u>613,802</u>	<u>-</u>	<u>613,802</u>
<b>Total Expenses</b>	<u>6,393,945</u>	<u>-</u>	<u>6,393,945</u>
<b>Change in Net Assets</b>	(736,807)	(736,580)	(1,473,387)
<b>Net Assets, Beginning of Year</b>	<u>2,211,895</u>	<u>1,230,028</u>	<u>3,441,923</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 1,475,088</u></u>	<u><u>\$ 493,448</u></u>	<u><u>\$ 1,968,536</u></u>

See the independent auditors' report and the accompanying notes to the financial statements.

**BACKCOUNTRY HUNTERS & ANGLERS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 1,862,442	\$ 169,472	\$ 117,154	\$ 2,149,068
Payroll taxes, benefits	363,263	33,055	22,850	419,168
Shows and events	323,343	-	22,054	345,397
Contract help	277,718	2,013	9,304	289,035
Media	123,591	1,315	6,574	131,480
Backcountry journal	194,937	-	-	194,937
Membership support	106,448	-	-	106,448
Fees, dues, subscriptions	123,044	22,670	20,580	166,294
Rent	40,811	4,691	1,407	46,909
Utilities	26,043	1,514	2,725	30,282
Website	84,120	1,001	15,021	100,142
Travel	217,555	5,880	11,760	235,195
Printing and postage	132,856	3,019	15,097	150,972
Supplies	75,957	4,927	4,031	84,915
Cost of promotions	182,700	-	11,917	194,617
Insurance	35,632	2,048	3,276	40,956
Professional services	34,857	41,180	-	76,037
Equipment purchased	6,200	305	-	6,505
Miscellaneous	5,305	589	-	5,894
Staff development	3,729	323	-	4,052
Grant-subrecipient	44,941	-	-	44,941
Depreciation and amortization	14,375	1,015	1,522	16,912
In-kind expenses	388,233	-	258,822	647,055
Bad debt expense	3,838	-	-	3,838
<b>Total Expenses</b>	<u><u>\$ 4,671,938</u></u>	<u><u>\$ 295,017</u></u>	<u><u>\$ 524,094</u></u>	<u><u>\$ 5,491,049</u></u>

See the independent auditors' report and the accompanying notes to the financial statements.



**BACKCOUNTRY HUNTERS & ANGLERS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Program</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 2,146,366	\$ 172,930	\$ 192,160	\$ 2,511,456
Payroll taxes, benefits	438,943	35,365	39,298	513,606
Shows and events	394,542	-	23,624	418,166
Contract help	200,152	7,200	-	207,352
Media	147,539	1,570	7,848	156,957
Backcountry journal	283,701	-	-	283,701
Membership support	178,760	-	-	178,760
Fees, dues, subscriptions	110,743	24,584	22,345	157,672
Rent	60,773	5,402	1,350	67,525
Utilities	27,726	1,333	3,333	32,392
Website	84,006	988	13,836	98,830
Travel	232,240	6,277	12,554	251,071
Printing and postage	186,726	4,104	14,364	205,194
Supplies	80,167	3,563	5,344	89,074
Cost of promotions	274,829	-	-	274,829
Insurance	18,552	1,091	2,183	21,826
Professional services	20,052	40,881	-	60,933
Miscellaneous	2,488	276	-	2,764
Staff development	25,762	2,862	-	28,624
Grant-subrecipient	182,120	-	-	182,120
Equipment Purchased	23,347	1,648	2,472	27,467
Depreciation and amortization	16,771	1,184	1,776	19,731
In-kind expenses	331,607	-	271,315	602,922
Bad debt expense	973	-	-	973
<b>Total Expenses</b>	<b>\$ 5,468,885</b>	<b>\$ 311,258</b>	<b>\$ 613,802</b>	<b>\$ 6,393,945</b>

See the independent auditors' report and the accompanying notes to the financial statements.

**BACKCOUNTRY HUNTERS & ANGLERS**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 434,783	\$ (1,473,387)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	16,912	19,731
In-kind donations	(628,491)	(587,723)
In-kind expenses	647,055	602,922
Change in assets and liabilities:		
Accounts receivable	(3,894)	10,546
Grants receivable	(485,227)	872,500
Pledges receivable	85,845	(104,251)
Prepaid expenses	11,185	(17,058)
Inventory	54,181	(17,408)
Right of use asset	(17,711)	(60,296)
Accounts payable	3,353	53,723
Accrued wages	(1,030)	(37,589)
Lease liability	17,711	60,296
Contract liabilities	(19,541)	24,788
<b>Net Cash Flows From Operating Activities</b>	<u>115,131</u>	<u>(653,206)</u>
<b>Cash Flows From Investing Activities:</b>		
Purchases of property and equipment	<u>-</u>	<u>(10,310)</u>
<b>Net Cash Flows From Investing Activities</b>	<u>-</u>	<u>(10,310)</u>
<b>Net Change in Cash</b>	115,131	(663,516)
<b>Cash - Beginning of Year</b>	<u>1,435,898</u>	<u>2,099,414</u>
<b>Cash - End of Year</b>	<u><u>\$ 1,551,029</u></u>	<u><u>\$ 1,435,898</u></u>

See the independent auditors' report and the accompanying notes to the financial statements.

**BACKCOUNTRY HUNTERS & ANGLERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 and 2022**

**1. Nature of Activities & Summary of Significant Accounting Policies**

Nature of Activities

Backcountry Hunters & Anglers (the Organization) was incorporated in Oregon on April 26, 2004, under the State of Oregon Non-Profit Corporation Statutes. The Organization seeks to ensure North America's outdoor heritage of hunting and fishing in a natural setting, through education and work on behalf of our wild public lands, waters and wildlife. The Organization operates programs focused in the following areas: access and opportunity, conservation of public lands and waters, and fair chase.

Programs

Under the programmatic focus on access and opportunity, the Organization addresses access to public lands and waters and enhancing recreational opportunities. The Organization is committed to helping chapters address the physical issue of access to public lands and waters while also prioritizing conservation of key lands and waters, conservation of fish and wildlife habitat, implementation of science-based land management policies, and advocacy against the privatization of public lands, waters, and wildlife.

Under the programmatic focus on conservation of public lands and waters, the Organization works to advance science-based management of North America's public lands, waters and wildlife. The Organization works to maintain longstanding hunting and fishing traditions through a focus on habitat conservation, restoration, responsible stewardship of priority landscapes, balanced development, responsible off-highway vehicle use and management, and defending our unique legacy of public lands.

Under the programmatic focus on fair chase, the Organization works to uphold the traditions of ethical hunting and fishing by maintaining fair chase principles. The Organization believes that technological advances can give unfair advantages in hunting, scouting, and fishing. The Organization believes in the fair chase principles inherent in the North American Model of Wildlife Conservation. Under its fair chase programs, the Organization works to elevate standards established by conservation leaders like Aldo Leopold, Theodore Roosevelt and others to ensure that the ethical pursuit of fish and game remains a critical part of hunting and fishing traditions.

The Organization uses general operating revenue to provide educational communication platforms that inform people about the importance of conserving wild places that provide solitude and safe, enjoyable and sustainable backcountry hunting and fishing experiences. The Organization takes special pride in educating the next generation of hunters and anglers. The *Backcountry Journal*, one of its most important platforms, is published quarterly and available to all members. The journal is a magazine with educational stories, hunting and fishing narratives, conservation project reports, and policy issue updates. The Organization also hosts an annual event called North American Rendezvous, which is a weekend of camaraderie, hands-on seminars, speakers and special events focused on wild harvested food, recognizing chapters and members, training conservation leaders and raising funding to support its mission. The Organization also attends numerous meetings and events across the continent to visit one-on-one with hunters and anglers about the issues they are facing and the work the Organization is doing locally.

The Organization is dependent on membership revenue, corporate donations, merchandise sales, special events income, individual donations, and grant funding for operational support. Grant funding is subject to ongoing approval by grantor agencies.

Basis of Presentation

The Organization maintains its records and presents its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**BACKCOUNTRY HUNTERS & ANGLERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 and 2022**

**1. Nature of Activities & Summary of Significant Accounting Policies (Continued)**

Accounting Standards Update

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13" or "ASC 326"). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. During 2019, the FASB issued additional ASUs amending certain aspects of ASU 2016-13. The Organization has analyzed the provisions of FASB's ASC 326, and has concluded that no changes are necessary to conform with the new standard.

Classification of Net Assets

The financial statements of the Organization are prepared in conformity with the standards promulgated by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial information and activities according to the two following classes of net assets:

*Net assets without donor restriction* represent net amounts that have been earned and expended according to contract restrictions and net amounts from generally unrestricted activities. Net assets without donor restriction include cash and fixed assets that are contractually designated for operations.

*Net assets with donor restriction* represent amounts for which donor-imposed restrictions have not been met and funds for which the ultimate purpose is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. Net assets with donor restriction include receivables subject to time restrictions and cash subject to purpose restrictions.

Restricted and Unrestricted Support

Contributions received or donor promises to give are recorded as net assets with donor restriction, or net assets without donor restriction, depending on the existence or nature of any donor restriction. Contributions made to the Organization are considered available for use without donor restriction unless specifically restricted by the donor. Contributions of property and equipment are reported as net assets without donor restriction when placed in service unless the donor has restricted the use of the asset to a specific purpose or time period.

The Organization's policy is to sell donated investments when received. Contributions of cash or other assets that must be used to acquire property and equipment are reported as increases in net assets with donor restriction until the assets are acquired and placed in service as instructed by the donor, unless the donor has also required that the acquired asset be used for a specific purpose or time period. If the donor requires property and equipment to be used for a specific purpose, restrictions on the net assets with donor restriction are released as the asset is depreciated. If the donor requires property and equipment to be used for a specific time period, restrictions on net assets with donor restriction are released evenly over the period required.

All restricted support is reported as an increase in net assets with donor restriction. However, support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is received. When a restriction expires, such as when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction.

**BACKCOUNTRY HUNTERS & ANGLERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 and 2022**

**1. Nature of Activities & Summary of Significant Accounting Policies (Continued)**

Restricted and Unrestricted Support (Continued)

Investment income and gains restricted by donors are reported as increases in net assets without donor restriction if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Cash and Cash Equivalents

At December 31, 2023 and 2022, the Organization's cash and cash equivalents include cash on hand, demand deposits, and investments with original maturities of three months or less. The Organization maintains cash deposits with various institutions which are FDIC insured up to \$250,000. At times during the year, these deposits may be in excess of FDIC insured limits.

Grants and Pledges Receivable

Grants and pledges receivable represent amounts due from granting agencies and other donors. Receivables are stated at the amount the Organization expects to collect from balances outstanding at year-end, net of any related allowance or discount.

Allowance for Doubtful Accounts

The Organization uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of specific receivables. Management estimates the allowance to be \$5,209 and \$8,923, respectively, as of December 31, 2023 and 2022. Bad debts charged to expense were \$3,838 and \$973 during the years ended December 31, 2023 and 2022, respectively.

Inventory

Inventory consists of merchandise held for sale through the Organization's online website, firearms, and other contributed items used for fundraising. Inventory held for sale is reported at the lower of cost or market. Inventory on hand was \$247,583 and \$320,328 as of December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, respectively, \$67,029 and \$85,593 of contributed goods were included in inventory.

Property and Equipment

It is the Organization's policy to capitalize property and equipment acquisitions with a cost greater than \$2,500 and a useful life of more than one year. Property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives, ranging from 3-7 years, of the related assets using the straight-line method. Expenses for repairs and maintenance are charged to expense as incurred.

Trademarks

Trademarks have been determined to have indefinite useful lives and are not amortized. Management evaluates the useful lives and recoverability of trademarks periodically, taking into account events and circumstances that may warrant revised estimated lives or indicate the asset may be impaired. Management has not identified an impairment of trademark assets during the years ended December 31, 2023 and 2022.

Compensated Absences

The Organization's compensated absences policy is to payout outstanding accrued vacation upon an employee's separation with the Organization. The balance of accrued vacation at December 31, 2023 and 2022 is \$49,738 and \$64,738, respectively.

**BACKCOUNTRY HUNTERS & ANGLERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 and 2022**

**1. Nature of Activities & Summary of Significant Accounting Policies (Continued)**

Income Taxes

The Organization is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Contributed Nonfinancial Goods and Services

During the years ended December 31, 2023 and 2022, the Organization received contributed nonfinancial goods included in inventory, primarily used for auctions or giveaways at fundraising events, of \$628,491 and \$587,723, respectively.

The Organization's policy related to gifts in-kind is to utilize them to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in the normal course of business, the asset will be sold at its estimated fair value as determined by appraisal, specialist, or comparison with market rates, depending on the type of asset.

The Organization receives donated services from volunteers and members of the Board of Directors. The value of these services have not been recorded in the financial statements because they do not meet the definition for recognition under accounting principles generally accepted in the United States of America.

Revenue Recognition

The majority of the Organization's revenue is received through contributions which are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the contributions or grants to determine if the revenue streams follow applicable guidance under accounting for contributions, or if they are considered exchange transactions, depending on whether the transaction is reciprocal or nonreciprocal. For transactions that qualify to be accounted for as contributions under the applicable guidance, revenue is recognized upon notification of the award or contribution or upon satisfaction of applicable conditions. Conditional contributions are not recognized until the conditions on which they depend are substantially met.

Contributions qualifying as unconditional contributions are recognized as *without donor restriction* only to the extent of actual expenses incurred in compliance with donor-imposed restrictions and satisfaction of time restrictions. Funds in excess of expenses incurred are shown as *net assets with donor restriction* in the accompanying financial statements. Accounts included in the statements of activities accounted for entirely as contributions include grants, events, memberships, and donation revenue. Membership dues are accounted for entirely as contributions, as members receive no substantial benefits. Business sponsorships include both contribution and exchange elements.

For transactions required to be accounted for as exchange transactions, revenue is accounted for under ASC 606, *Revenue from Contracts with Customers*. The core principle of the guidance is that an entity should recognize revenue for the transfer of promised goods and services to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods and services. Accounts included in the statements of activities accounted for entirely, or partially, as exchange transactions under Topic 606 include merchandise sales and business sponsorships.

- *Merchandise Sales:* The Organization operates a website where customers can purchase a selection of products. Revenue is recognized at a point in time when control of merchandise purchased transfers. Transfer of control of merchandise occurs when online orders are shipped from the Organization's distribution warehouse.

**BACKCOUNTRY HUNTERS & ANGLERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 and 2022**

**1. Nature of Activities & Summary of Significant Accounting Policies (Continued)**

Revenue Recognition (Continued)

- *Business Sponsors:* As noted above, income from business sponsors includes both contribution and exchange elements. As part of its contracts with business sponsors, the Organization may be required to satisfy performance obligations in return for a portion of the payment received from its business sponsors. The transaction price is allocated based on performance obligations that are distinct and separate and is estimated based on the fair market value of the distinct performance obligations. Performance obligations related to contracts with business sponsors are generally satisfied at a point in time. The portion of the payment from business sponsors in excess of the transaction price related to performance obligations is accounted for as contribution income.

Leases

The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating lease liabilities in the statements of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when it is readily determinable. Since most of the Organization's leases do not provide an implicit rate, to determine the present value of lease payments, management uses the risk-free rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that they will exercise the option.

Management of Liquid Resources

The Organization is substantially supported by both contributions with donor restriction and contributions without donor restriction. For donor restricted contributions, the Organization must maintain adequate resources to meet those responsibilities to donors. Thus, some of the Organization's financial assets may not be available for general expenditure within one year of the date of the statement of financial position. The Organization manages its liquidity as part of a policy to make financial assets without donor restriction available for general expenditures, liabilities, and other obligations as they come due.

**BACKCOUNTRY HUNTERS & ANGLERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 and 2022**

**1. Nature of Activities & Summary of Significant Accounting Policies (Continued)**

Management of Liquid Resources (Continued)

The following table represents the Organization's financial assets as of December 31:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash	\$ 1,551,029	\$ 1,435,898
Receivables	<u>740,374</u>	<u>337,098</u>
Total financial assets	2,291,403	1,772,996
Less amounts not available for general expenditures within one year:		
Restricted cash on hand	244,167	164,453
Receivables not expected to be received within one year	<u>-</u>	<u>7,500</u>
Total amounts not available for general expenditures within one year	<u>244,167</u>	<u>171,953</u>
Financial assets available for general expenditures within one year	<u>\$ 2,047,236</u>	<u>1,601,043</u>

Use of 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. This will affect the reported amounts of assets and liabilities, 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 these estimates.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statement of activities and the statement of functional expenses. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting service.

The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services (i.e., fundraising and management and general services). These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on either financial or nonfinancial data, such as headcount, location and purpose, or time and effort incurred by employees.

Expenses allocated based on time and effort include contract help, payroll taxes and benefits, salaries, and professional services. Expenses allocated based on location and purpose include depreciation, rent, shows and events, and travel.



**BACKCOUNTRY HUNTERS & ANGLERS**  
**NOTES TO FINANCIAL STATEMENTS**  
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**2. Cash and Cash Equivalents**

Cash and cash equivalents are comprised of the following at December 31:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents		
Checking account	\$ 479,739	\$ 378,827
Money market account	248,190	245,826
Chapter checking and savings accounts	<u>823,100</u>	<u>811,245</u>
Total Cash and Cash Equivalents	<u>\$ 1,551,029</u>	<u>\$ 1,435,898</u>

**3. Grants and Pledges Receivable**

Grants and pledges receivable are as follows at December 31:

	<u>2023</u>	<u>2022</u>
Grants receivable	\$ 590,227	\$ 105,000
Pledges receivable	<u>138,150</u>	<u>223,995</u>
Total	<u>728,377</u>	<u>328,995</u>
Less: current portion of		
Grants receivable	590,227	97,500
Pledges receivable	<u>138,150</u>	<u>223,995</u>
Noncurrent portion of receivables	<u>\$ -</u>	<u>\$ 7,500</u>

All grants and pledges receivable are expected to be collected within one year from the statement of financial position date as of December 31, 2023.

**4. Contracts With Customers**

Contract balances with customers include the following:

	<u>Balance at</u> <u>December 31, 2021</u>		<u>Balance at</u> <u>December 31, 2022</u>		<u>Balance at</u> <u>December 31, 2023</u>
<i>Business Sponsorships</i>					
Accounts receivable	\$ -	\$	23,500	\$	16,100
Contract liabilities	\$ 13,925	\$	38,713	\$	19,172

*Business Sponsorships*

The Organization recognizes revenue related to its business sponsorships as described in Note 1. The contracts outline payments from business sponsors, a portion for which the Organization may be required to satisfy performance obligations.

**BACKCOUNTRY HUNTERS & ANGLERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 and 2022**

**4. Contracts with Customers (Continued)**

*Business Sponsorships (Continued)*

Receivables of \$16,100 and \$23,500 have been recorded for performance obligations satisfied but for which payment has not been received as of December 31, 2023 and 2022, respectively. Contract liabilities have been recorded for payments received in advance of the satisfaction of performance obligations.

Receivables related to contracts with customers are expected to be collected within one year of the statement of financial position date.

Performance obligations related to contracts with customers are expected to be satisfied within one year of the statement of financial position date.

**5. Operating Leases**

During the years ended December 31, 2023 and 2022, the Organization leased five and seven office spaces, respectively, under noncancelable operating leases. All leases are for a term for two years maturing in May 2024. Each lease has an option to renew for two additional years after the expiration of the lease. If the Organization, did not renew but wanted to remain in the leased space, the lease will convert to month to month. Options to renew expected to be exercised have been included in the calculation of the lease liability for three of the leases in effect as of December 31, 2023. The total monthly payment for all leased office spaces as of December 31, 2023 and 2022 was \$3,610. Total rent expense recognized on these operating leases in the statement of functional expenses was \$46,909 and \$67,525 for the years ended December 31, 2023 and 2022, respectively.

The right-of-use asset obtained in exchange for lease obligations is as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Right-of-Use Asset	\$ 78,007	\$ 60,296
Lease Liability - Short-Term	\$ 33,608	\$ 42,325
Lease Liability - Long-Term	44,399	17,971
Total Lease Liability	<u>\$ 78,007</u>	<u>\$ 60,296</u>

The weighted average remaining lease term for the operating lease is 29 months as of December 31, 2023. The weighted average risk-free discount rate used is 4.33% as of the lease commencement date. Future minimum lease payments under the non-cancelable operating lease are as follows for the years ended December 31:

2024	\$ 35,956
2025	32,400
2026	<u>13,500</u>
Total	81,856
Interest	<u>(3,849)</u>
Present value of lease liability	<u>\$ 78,007</u>

**BACKCOUNTRY HUNTERS & ANGLERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 and 2022**

**6. Net Assets**

Net assets with and without donor restrictions are as follows at December 31:

	<u>2023</u>	<u>2022</u>
Net Assets Without Donor Restriction		
Invested in property and equipment, net of depreciation	\$ 30,767	\$ 47,679
Inventory	247,583	320,328
Undesignated	<u>1,152,425</u>	<u>1,107,081</u>
Total Net Assets Without Donor Restriction	<u>\$ 1,430,775</u>	<u>\$ 1,475,088</u>
Net Assets With Donor Restriction		
Receivables subject to time restrictions	\$ 728,377	\$ 328,995
Cash subject to purpose restrictions	<u>244,167</u>	<u>164,453</u>
Total Net Assets With Donor Restriction	<u>972,544</u>	<u>493,448</u>
Total Net Assets	<u><u>\$ 2,403,319</u></u>	<u><u>\$ 1,968,536</u></u>

**7. Subsequent Events**

Management has evaluated subsequent events through May 24, 2024, the date on which the financial statements were available to be issued.