

Financial Statements

Winter Wildlands Alliance, Inc.
(a nonprofit organization)
Years Ended June 30, 2020 and 2019



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Winter Wildlands Alliance, Inc.
Boise, Idaho

We have audited the accompanying financial statements of Winter Wildlands Alliance, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation and the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





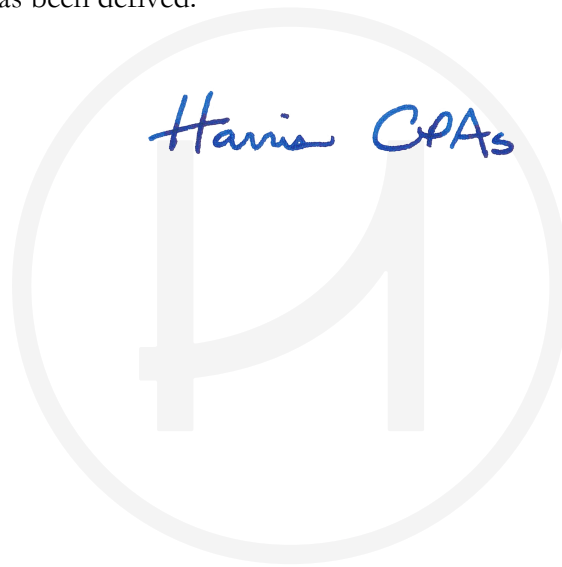
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Winter Wildlands Alliance, Inc. as of June 30, 2020, 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.

Other Matter and Report on Summarized Comparative Information

We have previously audited the Winter Wildlands Alliance, Inc.'s financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 23, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Meridian, Idaho
October 30, 2020



WINTER WILDLANDS ALLIANCE, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2020
With Comparative Totals as of June 30, 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 215,939	\$ 81,124
Certificates of deposits	0	150,085
Inventory	0	2,192
Prepaid and other assets	<u>9,264</u>	<u>6,389</u>
Total Current Assets	225,203	239,790
Furniture and equipment, net	4,097	0
Other Assets		
Deposit	<u>660</u>	<u>660</u>
Total Assets	<u>\$ 229,960</u>	<u>\$ 240,450</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 8,761	\$ 17,086
Accrued payroll and related costs	1,332	13,939
Refundable advance	<u>70,510</u>	<u>0</u>
Total Current Liabilities	80,603	31,025
Net Assets		
Without donor restrictions	99,434	54,654
With donor restrictions	<u>49,923</u>	<u>154,771</u>
Total Net Assets	<u>149,357</u>	<u>209,425</u>
Total Liabilities and Net Assets	<u>\$ 229,960</u>	<u>\$ 240,450</u>

See notes to financial statements.

WINTER WILDLANDS ALLIANCE, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2020
With Comparative Totals for the Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>	<u>2019 Total</u>
Revenue and Other Support				
Grants	\$ 196,800	\$ 200,000	\$ 396,800	\$ 268,750
Contributions	145,873	50,440	196,313	278,911
Dues, member organizations	25,747		25,747	29,032
Special events	58,492		58,492	64,854
Interest income	<u>3,886</u>		<u>3,886</u>	<u>2,753</u>
	430,798	250,440	681,238	644,300
Net assets released from restrictions	<u>355,288</u>	<u>(355,288)</u>	<u>0</u>	<u>0</u>
Total Revenue	786,086	(104,848)	681,238	644,300
Expenses				
Program Services				
Public policy	155,954		155,954	144,188
Constituency building	144,196		144,196	100,646
Education	<u>329,646</u>		<u>329,646</u>	<u>310,008</u>
Total Program Services	629,796	0	629,796	554,842
Supporting Services				
Administrative	70,987		70,987	63,619
Fundraising	<u>40,523</u>		<u>40,523</u>	<u>38,827</u>
Total Supporting Services	<u>111,510</u>	<u>0</u>	<u>111,510</u>	<u>102,446</u>
Total Expenses	<u>741,306</u>	<u>0</u>	<u>741,306</u>	<u>657,288</u>
Change in Net Assets	44,780	(104,848)	(60,068)	(12,988)
Net Assets				
Beginning of Year	<u>54,654</u>	<u>154,771</u>	<u>209,425</u>	<u>222,413</u>
End of Year	<u>\$ 99,434</u>	<u>\$ 49,923</u>	<u>\$ 149,357</u>	<u>\$ 209,425</u>

See notes to financial statements.

WINTER WILDLANDS ALLIANCE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2020
With Comparative Totals for the Year Ended June 30, 2019

	<u>Program Services</u>			<u>Supporting Services</u>		<u>2020 Total</u>	<u>2019 Total</u>
	<u>Public Policy</u>	<u>Constituency</u>	<u>Education</u>	<u>General and Admin</u>	<u>Fundraising</u>		
Salaries and benefits	\$ 97,227	\$ 46,688	\$ 137,460	\$ 37,847	\$ 21,925	\$ 341,147	\$ 326,384
Communications	9,879	25,953	28,084	6,071	3,955	73,942	44,038
Special events	7,362	11,178	35,445	1,427	894	56,306	42,473
Employee benefits	11,317	13,832	20,976	6,954	4,401	57,480	63,016
Conferences and meetings	8,848	19,570	18,122	2,158	1,034	49,732	52,501
Professional fees	7,802	10,486	18,205	4,768	3,034	44,295	20,465
Payroll taxes	5,178	6,329	16,867	3,243	2,014	33,631	27,789
Program supplies	31	2	31,041			31,074	21,950
Rent	3,810	4,657	8,891	2,329	1,482	21,169	19,151
Operating expenses	1,967	2,405	6,468	1,580	805	13,225	12,773
Dues and subscriptions	1,206	1,474	2,814	882	469	6,845	13,860
Insurance	876	1,071	2,053	555	341	4,896	3,526
Office supplies	294	359	692	202	108	1,655	2,268
Employee training	121	147	371	324	47	1,010	2,185
Depreciation expense				387		387	0
Repairs	30	37	70	18	12	167	1,767
Other	6	8	2,087	2,242	2	4,345	3,142
Total Expenses	\$ 155,954	\$ 144,196	\$ 329,646	\$ 70,987	\$ 40,523	\$ 741,306	\$ 657,288

See notes to financial statements.

WINTER WILDLANDS ALLIANCE, INC.
STATEMENTS OF CASH FLOWS
For the Year Ended June 30, 2020
With Comparative Totals for the Year Ended June 30, 2019

	<u>2020</u>	<u>2019</u>
Cash Flow from Operating Activities		
Change in net assets	\$ (60,068)	\$ (12,988)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	387	0
Changes in operating assets and liabilities		
Inventory	2,192	598
Prepaid and other expenses	(2,875)	1,219
Accounts payable	(8,325)	6,787
Accrued payroll liabilities	(12,607)	(8,077)
Refundable advance	<u>70,510</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	(10,786)	(12,461)
Cash Flow From Investing Activities		
Acquisition of property and equipment	(4,484)	0
Proceeds from sale of investments	204,880	0
Purchase of investments	<u>(54,795)</u>	<u>(25,131)</u>
Net Cash Provided (Used) by Investing Activities	<u>145,601</u>	<u>(25,131)</u>
Net Change in Cash and Cash Equivalents	134,815	(37,592)
Cash and Cash Equivalents - Beginning of Year	<u>81,124</u>	<u>118,716</u>
Cash and Cash Equivalents - End of Year	<u>\$ 215,939</u>	<u>\$ 81,124</u>

See notes to financial statements.

WINTER WILDLANDS ALLIANCE, INC. NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies

Nature of Organization

Winter Wildlands Alliance, Inc. (WWA) is an Idaho nonprofit organization organized for charitable and educational purposes within the meaning of Section 501(c)(3) of the United States Internal Revenue Code. The mission of the organization is to promote and preserve winter wild lands and a quality human-powered snow sports experience on public lands. WWA's primary source of revenue is through grants from a small number of foundations and donations from individuals and corporations.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

WWA reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

Accounting Pronouncements Adopted

For the year ended June 30, 2020, the WWA adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB has issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity and understandability of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, timing, and uncertainty of revenue and cash flow arising from contracts with customers. The financial statements reflect the application of ASC 606 guidance beginning in 2020. No cumulative-effect adjustment in net assets was recorded as the adoption of ASU 2014-09 did not significantly impact the WWA's reported historical revenue.

WINTER WILDLANDS ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Cash and Cash Equivalents

WWA considers its short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Inventory

Inventory consists of donated promotional merchandise. Donated items are recorded at estimated fair value at the date of donation.

Fixed Assets

Fixed assets consist of office equipment and website design. They are stated at cost or, if donated, at the estimated fair market value at the date of donation. Acquisitions of equipment with an estimated useful life of at least two years and a cost basis in excess of \$300 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to ten years.

Fair Value

WWA uses fair value for reporting financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short term, highly liquid nature.

Concentrations

Financial instruments that potentially subject WWA to significant concentrations of credit risk consist principally of cash and investments. Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000 and the Securities Investor Protection Corporation for up to \$500,000. There were no uninsured balances at June 30, 2020 and 2019.

For the years ended June 30, 2020 and 2019 approximately 28% and 31%, respectively, of WWA's support was received from two foundations. The current level of WWA's operations and program services may be impacted or segments discontinued if the funding is not renewed.

WINTER WILDLANDS ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. Compensation and benefits are allocated on the basis of estimates of time and effort. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of WWA.

Contributions and Donor Imposed Restrictions

Contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increase that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

Contributed Services and Materials

WWA receives in-kind contributions consisting of investments, outreach support, promotional assistance, merchandise, and professional services. Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (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. In-kind contributions are recognized as revenue when received and as expenditures when the resources are consumed. For the years ended June 30, 2020 and 2019 donated services and materials were valued at \$44,500 and \$26,000, respectively.

Revenue and Revenue Recognition

Membership dues, which are nonrefundable, are an exchange transaction based on the value of benefits provided. The WWA recognizes membership dues over the membership period. The performance obligation consists of providing members continuous access to the annual events, and is recognized ratably as services are simultaneously received and consumed by the members. Admissions revenue is recognized at the time the admission is purchased. Program revenue is recognized when the events take place.

WINTER WILDLANDS ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Income Taxes

WWA is a not-for-profit organization that is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, WA may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2020 or 2019.

WWA files Form 990 in the U.S. federal jurisdiction. WWA is generally no longer subject to examination by the Internal Revenue Service for years before 2016.

Use of Estimates

WWA uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Comparative Data

The amounts shown for the year ended June 30, 2019 in the accompanying financial statements are included to provide a basis for comparison with 2020 and present summarized totals only. Accordingly, the 2019 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with WWA's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

WINTER WILDLANDS ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Subsequent Events

WWA has evaluated subsequent events through October 30, 2020, which is the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact operations, including temporary suspension of in-person festivals and events; however the related financial impact and duration cannot be reasonably estimated at this time. WWA received a Paycheck Protection Program loan totaling \$70,510.

Note B – Liquidity and Availability of Resources

WWA's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ <u>215,939</u>
Total financial assets available within one year	215,939
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	<u>(49,923)</u>
Total financial assets available within one year after restriction	\$ <u>166,016</u>

As part of WWA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At June 30, 2020, all net assets without donor restrictions are available for payment of (any major expenditures incurred), except for receivables which are available when the receivable is collected.

WINTER WILDLANDS ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS

Note C – Property and Equipment

At June 30, property and equipment consists of the following:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 32,621	\$ 28,137
Less accumulated depreciation	<u>28,524</u>	<u>28,137</u>
	<u>\$ 4,097</u>	<u>\$ 0</u>

For the years ended June 30, 2020 and 2019, the Organization recognized \$387 and \$0 in depreciation expense, respectively.

Note D – Certificates of Deposit

At June 30, 2019, WWA had certificates of deposit totaling \$150,085, held in a brokerage account. The certificates are for various terms, typically ranging between 90 days and one year (maturity dates through February 2020) and annual interest rates from 2.35% to 2.5%. These certificates are not purchased with an original maturity date of less than ninety (90) days and are not considered cash equivalents. All certificates of deposit are recorded at fair value using Level 1 inputs. Any penalties for early withdrawal would not have a material effect on the financial statements. There were no certificates of deposits at June 30, 2020.

Note E – Refundable Advance

In April 2020, WWA was granted a paycheck protection program loan (the “PPP Loan”) from First Interstate Bank in the amount of \$70,510, pursuant to the Paycheck Protection Program (“PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The PPP Loan matures in April 2022 and bears interest at a rate of 1.00% per annum, payable monthly commencing in November 2020. WWA may only use funds from the PPP Loan for purposes specified in the CARES Act and related PPP rules, which include payroll costs, costs used to continue group health care benefits, rent, and utilities; other uses will constitute a default under the PPP Loan. Under the terms of the PPP, certain amounts of the PPP Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act during the 24-week period commencing on the date of disbursement of the PPP Loan. WWA considers the conditions of this contribution to have been substantially met once the lender has approved forgiveness of the PPP Loan. At June 30, 2020, the entire balance of the PPP Loan has been recorded as a refundable advance, as approval for forgiveness was not received as of June 30, 2020.

WINTER WILDLANDS ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS

Note F – Net Assets

The detail of WWA’s net asset categories at June 30, is as follows:

	<u>2020</u>	<u>2019</u>
Without donor restrictions		
Undesignated surplus	\$ 95,337	\$ 54,654
Invested in furniture and equipment	<u>4,097</u>	<u>0</u>
Total without donor restrictions	99,434	54,654
With donor restrictions:		
Winter travel planning	12,614	60,000
OSV campaign	37,309	59,771
Northern Sierra Winter Ecosystems	0	30,000
Central Wasatch Range	<u>0</u>	<u>5,000</u>
Total with donor restrictions	<u>49,923</u>	<u>154,771</u>
Total net assets	<u>\$ 149,357</u>	<u>\$ 209,425</u>

Note G – Retirement Plan

WWA has established a SIMPLE IRA pension plan, covering all employees who have completed one year of full-time employment. WWA makes a matching contribution to each eligible employee’s SIMPLE IRA equal to the employee’s salary reduction contributions up to a limit of 3% of the employee’s compensation for the year. The employer contributions for the years ended June 30, 2020 and 2019, were \$7,574 and \$7,260, respectively.

Note H – Operating Leases

WWA entered into an operating lease for office space on February 1, 2019, which expires on January 31, 2022, with monthly payments ranging from \$1,594 to \$1,691. Rental expense under the lease totaled \$21,169 and \$21,169 for the years ended June 30, 2020 and 2019, respectively.

The following summarizes the remaining future minimum payments required under the lease:

2021	\$ 20,238
2022	<u>1,691</u>
	<u>\$ 21,929</u>