OUTDOOR ALLIANCE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

Independent Auditors' Report

The Board of Directors
Outdoor Alliance
Washington, D.C.

Report on the Financial Statements

We have audited the accompanying financial statements of Outdoor Alliance, (the Alliance) which comprise the statement of financial position as of December 31, 2020 and the related statements of activities, functional expenses 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 audit. We conducted our audit 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 auditors' judgment, 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 auditors consider internal control relevant to the Alliance'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 Alliance'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 of the financial statements.

The Board of Directors
Outdoor Alliance
Washington, D.C.

Report on the Financial Statements (Continued)

Auditors' Responsibility (Continued)

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 Outdoor Alliance, Inc., as of December 31, 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.

Report on Summarized Comparative Information

We have previously audited the 2019 financial statements of Outdoor Alliance, and our report dated April 24, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the 2019 audited financial statements from which it has been derived.

Mullins PC

Bethesda, Maryland
May 14, 2021

Certified Public Accountants

Outdoor Alliance

Statement of Financial Position
December 31, 2020
With Comparative Totals As of December 31, 2019

Assets

	2020	2019
Current Assets		
Cash and Cash Equivalents	**$ 719,049**	$ 369,745
Grants Receivable and Contributions - Net	**252,120**	175,885
Prepaid Expenses	**3,556**	5,654
Property and Equipment - Net	**57,974**	62,742
Security Deposit	**2,800**	3,045
Total Assets	**$ 1,035,499**	$ 617,071

Liabilities and Net Assets

	2020	2019
Current Liabilities		
Accounts Payable and Accrued Expenses	**$ 10,834**	$ 16,111
Total Current Liabilities - Total Liabilities	**10,834**	16,111
Net Assets		
Without Donor Restrictions	**706,092**	412,920
With Donor Restrictions	**318,573**	188,040
Total Net Assets	**1,024,665**	600,960
Total Liabilities and Net Assets	**$ 1,035,499**	$ 617,071

See Accompanying Notes to Financial Statements

Outdoor Alliance

Statement of Activities
For the Year Ended December 31, 2020
With Comparative Totals For the Year Ended December 31, 2019

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	**Total**	Total
Support and Revenues				
Grants and Contributions	$ 787,318	$ 381,000	**$ 1,168,318**	$ 812,201
Forgivable Loan - PPP	77,400	-	**77,400**	-
Membership Dues	66,000	-	**66,000**	60,000
In-Kind Contributions	82,234	-	**82,234**	645
Interest Income	2,410	-	**2,410**	2,685
Other Income	3,465	-	**3,465**	8,362
Net Assets Released From Restrictions	250,467	(250,467)	**-**	-
Total Support and Revenues	1,269,294	130,533	**1,399,827**	883,893
Expenses				
Program Services				
Conservation Policy	443,028	-	**443,028**	298,799
Data and Communications	202,025	-	**202,025**	202,427
Lobbying	8,352	-	**8,352**	5,220
Geospatial Information System Laboratory	60,597	-	**60,597**	64,163
Total Program Services	714,002	-	**714,002**	570,609
Supporting Services				
General and Administrative	193,161	-	**193,161**	214,115
Fundraising	68,959	-	**68,959**	81,844
Total Supporting Services	262,120	-	**262,120**	295,959
Total Expenses	976,122	-	**976,122**	866,568
Changes in Net Assets	293,172	130,533	**423,705**	17,325
Net Assets, Beginning of Period	412,920	188,040	**600,960**	583,635
Net Assets, End of Period	$ 706,092	$ 318,573	**$ 1,024,665**	$ 600,960

See Accompanying Notes to Financial Statements

Outdoor Alliance

Statement of Functional Expenses
For the Year Ended December 31, 2020
With Comparative Totals For the Year Ended December 31, 2019

	2020								2019
	Conservation Policy	Data and Commun - ications	Lobbying	Geospatial Information System Laboratory	Total Program Services	General and Administrative	Fundraising	**Total**	Total
Personnel Costs	$ 137,147	$ 112,407	$ 7,618	$ 51,540	$ 308,712	$ 142,029	$ 63,370	**$ 514,111**	$ 493,487
Professional Services	83,065	53,204	-	-	136,269	23,704	1,000	**160,973**	134,668
Communications and Research	151	28,480	-	-	28,631	400	-	**29,031**	29,180
Joint Policy Shop	127,230	-	350	-	127,580	-	-	**127,580**	63,061
Occupancy	6,040	4,950	335	2,270	13,595	6,255	2,790	**22,640**	29,760
Office	3,269	2,412	-	810	6,491	10,896	1,159	**18,546**	20,450
Depreciation and Amortization	-	-	-	4,540	4,540	1,627	-	**6,167**	36,867
Insurance	-	-	-	-	-	2,744	-	**2,744**	2,879
Development	-	-	-	-	-	-	-	**-**	528
Marketing	-	-	-	-	-	-	-	**-**	1,973
Conferences and Meetings	4,516	572	49	-	5,137	4,637	640	**10,414**	52,589
Economic Study	-	-	-	1,437	1,437	-	-	**1,437**	1,126
In-Kind Expense	81,610	-	-	-	81,610	869	-	**82,479**	-
Total Expenses	$ 443,028	$ 202,025	$ 8,352	$ 60,597	$ 714,002	$ 193,161	$ 68,959	**$ 976,122**	$ 866,568

See Accompanying Notes to Financial Statements

Outdoor Alliance

Statement of Cash Flows
For the Year Ended December 31, 2020
With Comparative Totals For the Year Ended December 31, 2019

	2020	2019
Cash Flows from Operating Activities		
Change in Net Assets	**$ 423,705**	$ 17,325
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	**6,167**	36,867
(Increase) Decrease in Assets		
Grants Receivable and Contributions - Net	**(76,235)**	(17,814)
Prepaid Expenses	**2,098**	(1,593)
Security Deposit	**245**	(645)
Increase (Decrease) in Liabilities		
Accounts Payable and Accrued Liabilities	**(5,277)**	5,255
Net Cash Provided by (Used in) Operating Activities	**350,703**	39,395
Cash Flows from Investing Activities		
Purchases of Property and Equipment	**(1,399)**	(25,410)
Net Cash Provided By (Used) in Investing Activities	**(1,399)**	(25,410)
Net Increase (Decrease) in Cash and Cash Equivalents	**349,304**	13,985
Cash and Cash Equivalents, Beginning of Period	**369,745**	355,760
Cash and Cash Equivalents, End of Period	**$ 719,049**	$ 369,745

See Accompanying Notes to Financial Statements

1. Organization and Purpose

Outdoor Alliance (the Alliance) was founded as a nonprofit organization in 2013 to unite the voices of outdoor enthusiasts to conserve public lands and ensure those lands are managed in a way that embraces the human-powered experience.

The Alliance is a coalition of human-powered outdoor recreation organizations including the Access Fund, the American Alpine Club, American Whitewater, American Canoe Association, International Mountain Bicycling Association, The Mountaineers, Winter Wildlands Alliance, the Mazamas, Colorado Mountain Club, and the Surfrider Foundation.

The coronavirus (COVID-19) outbreak in the United States commenced prior to the Alliance's fiscal year-end and has directly impacted its operations since early spring 2020. The COVID-19 pandemic caused a broad and negative impact on commerce and financial markets around the world including travel restrictions and limits on in-person gatherings.

Accordingly, the extent to which COVID-19 may impact the Alliance's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

The financial statements of the Alliance have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires the Alliance to report information regarding its financial position and activities according to the following net asset classifications:

<u>Net Assets Without Donor Restrictions:</u> Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Alliance. These net assets may be used at the discretion of management and the Board of Directors.

<u>Net Assets With Donor Restrictions:</u> Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Alliance or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Accordingly, actual results could differ from those estimates.

Cash Equivalents

The Alliance considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Grants and Contributions Receivable

Grants and contributions receivable are recorded at net realizable value. Amounts to be collected more than a year after the balance sheet date are recorded net of a present value discount. The discounts on these amounts are computed using risk-free interest rates applicable to the period over which the amounts are to be received. The Alliance provides an allowance for bad debts using the allowance method, which is based on management's judgment considering historical information. Grants are individually analyzed for collectability and will be reserved based on individual evaluation and specific circumstances. When all collection efforts have been exhausted, the accounts are written off against the related allowance. There was no allowance as of December 31, 2020.

Property and Equipment

Property and equipment acquisitions with a cost greater than $1,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Expenditures for repairs and maintenance are expensed as incurred.

Geospatial Information System (GIS) database is an on-line application created to provide data-driven information, maps, and tools that enables the community and policy makers to protect and improve outdoor recreation experiences on our public lands. The Alliance capitalizes costs of developing its GIS during the application development stage in accordance with Statement of Position (SOP) 98-1, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use*. SOP 98-1 provides guidance for the treatment of costs associated with computer software development and defines those costs to be capitalized and those to be expensed. Costs that qualify for capitalization are external direct costs, payroll and payroll-related costs. Costs related to general and administrative functions are not capitalized and are expensed as incurred. The Alliance capitalizes application development costs when the projects under development reach technological feasibility. New information, maps and tools leverage off proven delivery platforms and are primarily content, which has no technological hurdles. As a result, a significant portion of our development costs qualify for capitalization due to the concentration of our development efforts on the content.

2. Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued)

Technological feasibility is established when the Alliance has completed all planning, designing, coding, and testing activities necessary to establish that a course can be produced to meet its design specifications. Capitalization ends when new information, maps or tools is available for general release, at which time amortization of the capitalized costs begins. The period of time over which these development costs will be amortized corresponds with the information, map or tool's lifecycle.

Revenue Recognition

Grants and contributions, including unconditional grants receivable, are recognized as revenues in the period received or pledged. Conditional grants receivable are not recognized until the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of gift. Contributed services and materials are recorded at their estimated fair value if they would otherwise be purchased if not provided by donation and provided by professionals in their field. Management considers all outstanding contributions receivable amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

During the year ended December 31, 2020, the Alliance received a $77,400 forgivable loan from the Small Business Administration's (SBA) Paycheck Protection Program (PPP). The forgivable loan is a conditional contribution that can be recognized as revenue when the underlying conditions are met. The Alliance has elected to treat the legal forgiveness as the condition. During the year ended December 31, 2020, the Alliance has recognized $77,400 of the forgivable loan as revenue when the loan was forgiven.

There were no unrecognized conditional contributions as of December 31, 2020.

Coalition members contribute annual membership dues. Because coalition members do not receive commensurate value for their dues, membership dues are recorded as revenues when received or promised.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, occupancy and office expenses, depreciation, information technology costs, and insurance have been allocated among the programs and supporting services based on employee time and effort.

Income Tax Status

The Alliance is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies (Continued)

Income Tax Status (Continued)

The Alliance follows the Financial Accounting Standards Board Accounting Standards Codification, which provides guidance on accounting for uncertainty in income taxes recognized in the Alliance's financial statements, if any. As of December 31, 2020, the Alliance had no unrecognized tax benefits related to uncertain tax positions in its information return that would qualify for either recognition or disclosure in its financial statements. The Alliance's policy would be to recognize interest and penalties on tax positions related to its unrecognized tax benefits in income tax expense in the financial statements. Through December 31, 2020, there have been no matters that would have resulted in an accrual for interest and/or penalties.

Generally, the tax years before 2017 are no longer subject to examination by federal, state, or local taxing authorities.

Recently Issued Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statement of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in 2022.

Subsequent Events

Management has evaluated subsequent events through May 14, 2021 the date which the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provided evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events with conditions that did not exist at the statement of financial position date, but disclosures of such events, if any, are included in the accompanying notes.

3. Concentration of Credit Risk

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000. As of December 31, 2020, bank balances exceeded the FDIC limit by approximately $470,000. Management believes the risk in these situations to be minimal.

4. Grants Receivable

Grants receivable are due as follows for the year ending December 31, 2020:

2021	$ 204,049
2022	50,000
Less: Present Value Discount (2.64%)	(1,929)
Total	$ 252,120

5. Property and Equipment

Property and equipment consisted of the following at December 31, 2020:

GIS Laboratory	$ 31,782
GIS Database (Intangible)	135,679
Computers	9,252
Total	176,713
Less Accumulated Depreciation and Amortization	(118,739)
Property and Equipment, Net	$ 57,974

Depreciation and amortization expense was $6,167 for the year ended December 31, 2020.

6. Line of Credit

The line of credit is an unsecured line of credit with a maximum borrowing capacity of $62,000. The line bears interest at 11.5%. As of December 31, 2020, the Alliance did not have a balance due on the line of credit.

7. Net Assets

Net assets with donor restrictions were as follows:

Purpose:	2019	Contributions	Releases	2020
Protecting Public Lands	$ 188,040	$ 173,000	$ (150,467)	$ 210,573
Forest Planning	-	58,000	(50,000)	8,000
Time Restrictions	-	150,000	(50,000)	100,000
Total	$ 188,040	$ 381,000	$ (250,467)	$ 318,573

Net assets without donor restrictions for the year ended December 31, 2020 were undesignated.

8. Lease Commitments

During 2019, the Alliance executed an agreement for office space through April 2020. Base rent is $2,520 per month. The lease terminated in August 2020.

During 2020, the lease was extended through December 31, 2021. The initial lease term through December 2020 was $1,000 and this is increased to $1,300 for the period January 2021 through December 2021.

As of December 31, 2020, future minimum lease payments were $15,600.

9. Retirement Plan

The Alliance maintains a SIMPLE IRA plan and contributes 3% of an employee's salary for all eligible employees. Employees may contribute up to the maximum amount allowable by law. Employer contributions for the year ended December 31, 2020 totaled $13,063.

10. Liquidity and Availability

The following represents the Alliance's financial assets at December 31, 2020:

Financial Assets at Year End:		
Cash and Cash Equivalents	$	719,049
Grants and Contributions Receivable		204,049
Total Financial Assets		923,098
Less: Restricted Amounts Not Available To Be Used Within One Year:		
Donor-Restricted		318,573
Donor-Restricted To Be Used in Next Twelve Months		(318,573)
Board-Designated		-
		-
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	$	923,098

As part of the Alliance's liquidity management plan, cash in excess of daily requirements is transferred to income-generating accounts, when practical. Additionally, the Alliance has a line of credit with a borrowing capacity of $62,000 as of December 31, 2020 as disclosed in Note 6.

11. Subsequent Events

Subsequent to yearend, the Alliance applied for and received a second round of PPP funding. The Alliance structured the funding to be forgiven based on incurring eligible costs.