

ROCKY MOUNTAIN ELK FOUNDATION

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# 2024 FINANCIAL STATEMENTS



**ROCKY MOUNTAIN ELK FOUNDATION, INC. AND SUBSIDIARY**  
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**(WITH COMPARATIVE TOTALS FOR 2023)**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Rocky Mountain Elk Foundation, Inc. and Subsidiary  
Missoula, Montana

### Report on the Audit of the Consolidated Financial Statements

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Rocky Mountain Elk Foundation, Inc. (a nonprofit organization) and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Rocky Mountain Elk Foundation, Inc. and Subsidiary as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Rocky Mountain Elk Foundation, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Consolidated Financial Statements***

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rocky Mountain Elk Foundation, Inc. and Subsidiary's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Rocky Mountain Elk Foundation, Inc. and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rocky Mountain Elk Foundation, Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

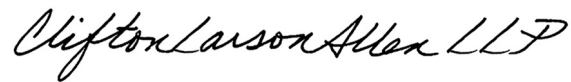
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Report on Summarized Comparative Information***

We have previously audited Rocky Mountain Elk Foundation, Inc. and Subsidiary's 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 1, 2024. In our opinion, the summarized comparative information present herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Rocky Mountain Elk Foundation, Inc. stand-alone statement of financial position and statement of activities and changes in net assets is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Spokane, Washington  
June 18, 2025

**ROCKY MOUNTAIN ELK FOUNDATION, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2024**  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)  
(IN THOUSANDS)

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 27,292	\$ 30,165
Receivables, Net	928	405
Net Unconditional Promises to Give, Current	604	52
Inventories	8,417	8,723
Prepaid Expenses	<u>1,028</u>	<u>922</u>
Total Current Assets	38,269	40,267
Investments	93,453	78,307
Property and Equipment, Net	14,222	12,711
Long-Term Receivables, Net	529	364
Net Unconditional Promise to Give, Net of Current	677	131
Intangible Assets, Net	3,880	4,544
Conservation Land Holdings	2,288	7,473
Artwork	<u>396</u>	<u>314</u>
Total Assets	<u><u>\$ 153,714</u></u>	<u><u>\$ 144,111</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 5,719	\$ 6,434
Deposits, Advances, and Deferred Revenue	2,334	2,123
Split-Interest Agreement Liabilities, Current	209	210
Other Liability, Current	<u>426</u>	<u>231</u>
Total Current Liabilities	8,688	8,998
<b>LONG-TERM LIABILITIES</b>		
Split-Interest Agreement Liabilities, Net of Current Portion	1,196	1,184
Other Liability, Net of Current Portion	<u>182</u>	<u>590</u>
Total Long-Term Liabilities	<u>1,378</u>	<u>1,774</u>
Total Liabilities	10,066	10,772
<b>NET ASSETS</b>		
Without Donor Restriction:		
Undesignated	86,578	81,200
Noncontrolling Interest	<u>1,375</u>	<u>1,428</u>
Total Net Assets Without Donor Restriction	87,953	82,628
With Donor Restriction	<u>55,695</u>	<u>50,711</u>
Total Net Assets	<u>143,648</u>	<u>133,339</u>
Total Liabilities and Net Assets	<u><u>\$ 153,714</u></u>	<u><u>\$ 144,111</u></u>

See accompanying Notes to Consolidated Financial Statements.

**ROCKY MOUNTAIN ELK FOUNDATION, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2024**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)**  
**(IN THOUSANDS)**

	2024			2023
	Without Donor Restriction	With Donor Restriction	Total	Total
<b>FUNDS SPENT ON MISSION ACCOMPLISHMENT</b>				
<b>BY ACTIVITY</b>				
Program Services Expenses:				
Land Protection	\$ 30,923	\$ -	\$ 30,923	\$ 24,217
Habitat Stewardship	19,890	-	19,890	12,721
Wildlife Management	3,297	-	3,297	815
Hunting Heritage	12,965	-	12,965	14,348
Total Program Services Expenses	67,075	-	67,075	52,101
OutdoorClass Expenses	587	-	587	78
Total Expenses by Activity	67,662	-	67,662	52,179
<b>SOURCE OF FUNDS FOR MISSION ACCOMPLISHMENT</b>				
Public Support:				
Contributions	14,186	3,296	17,482	19,466
Membership	7,797	138	7,935	8,362
Special Events	41,744	-	41,744	40,320
Less: Direct Donor Benefits	(15,372)	-	(15,372)	(14,930)
Change/Revalue Split-Interest Agreements	(125)	70	(55)	(139)
Total Public Support	48,230	3,504	51,734	53,079
Program Service Revenue:				
Conservation Land Sales	17,751	-	17,751	14,336
Conservation Easements	12,762	-	12,762	6,463
Contract Revenue	206	-	206	147
Government Grants	2,671	-	2,671	93
Total Program Service Revenue	33,390	-	33,390	21,039
Other:				
Investment Return	4,861	5,199	10,060	5,520
Advertising, Royalties, and Other Sales	5,549	-	5,549	4,878
Less: Cost of Sales	(1,470)	-	(1,470)	(920)
Other Income	363	-	363	155
Gain (Loss) on Assets Sold/Written Off	1,176	-	1,176	2
Net Assets Released from Restrictions	3,719	(3,719)	-	-
Total Other	14,198	1,480	15,678	9,635
Support Service Expenses:				
Fundraising	18,395	-	18,395	17,906
Administrative	4,436	-	4,436	4,035
Total Support Service Expenses	22,831	-	22,831	21,941
<b>FUNDS AVAILABLE FOR MISSION ACCOMPLISHMENT</b>	72,987	4,984	77,971	61,812
<b>CHANGE IN NET ASSETS BEFORE NONCONTROLLING INTEREST</b>	5,325	4,984	10,309	9,633

See accompanying Notes to Consolidated Financial Statements.

**ROCKY MOUNTAIN ELK FOUNDATION, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)  
(IN THOUSANDS)

		2024		2023
	Without Donor Restriction	With Donor Restriction	Total	Total
<b>CHANGE IN NET ASSETS BEFORE NONCONTROLLING INTEREST (Total from Previous Page)</b>	\$ 5,325	\$ 4,984	\$ 10,309	\$ 9,633
<b>INCREASE/(DECREASE) CHANGE IN NET ASSETS ATTRIBUTED TO NONCONTROLLING INTEREST</b>	<u>53</u>	<u>-</u>	<u>53</u>	<u>24</u>
<b>CHANGE IN NET ASSETS ATTRIBUTED TO CONTROLLING INTEREST</b>	5,378	4,984	10,362	9,609
<b>NONCONTROLLING INTEREST AT ACQUISITION</b>	-	-	-	1,452
Net Assets - Beginning of Year	<u>82,628</u>	<u>50,711</u>	<u>133,339</u>	<u>122,254</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 87,953</u></u>	<u><u>\$ 55,695</u></u>	<u><u>\$ 143,648</u></u>	<u><u>\$ 133,339</u></u>

See accompanying Notes to Consolidated Financial Statements.



**ROCKY MOUNTAIN ELK FOUNDATION, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2024**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)**  
**(IN THOUSANDS)**

	Total Program Services	Support Services			Total Support Services	OutdoorClass Expenses	2024 Total	2023 Total
		Administrative	Fundraising	Merchandise				
Advertising	\$ -	\$ 38	\$ 484	\$ 20	\$ 542	\$ 45	\$ 587	\$ 494
Bad Debt (Recoveries)	3	-	48	-	48	-	51	63
Conservation Easements	14,027	-	-	-	-	-	14,027	6,463
Conservation Projects	8,974	-	-	-	-	-	8,974	6,427
Depreciation and Amortization	345	161	130	-	291	970	1,606	660
Direct Benefit to Donor	-	-	15,372	-	15,372	-	15,372	14,930
Education and Awareness	620	-	-	-	-	-	620	527
Employee Benefits	1,236	530	1,277	11	1,818	40	3,094	3,281
Employee Salaries	4,975	2,069	4,849	72	6,990	-	11,965	11,159
Hunting Heritage Merchandise	5,105	-	-	-	-	-	5,105	5,023
Insurance	27	239	32	-	271	12	310	296
Land Conservation, Excluding								
Conservation Easements	24,024	-	-	-	-	-	24,024	19,685
Membership Benefits	3,148	-	-	-	-	-	3,148	3,288
Merchandise	141	-	-	547	547	-	688	564
Miscellaneous	590	84	1,056	30	1,170	159	1,919	1,453
Postage and Shipping	131	18	4,763	99	4,880	-	5,011	4,401
Printing and Publications	1,006	108	3,144	1	3,253	-	4,259	5,480
Professional Fees	1,841	708	1,229	18	1,955	8	3,804	3,091
Rent and Maintenance	60	166	188	1	355	15	430	218
Supplies	146	62	165	4	231	-	377	348
Telephone	72	25	98	-	123	-	195	192
Travel and Meetings	581	140	927	5	1,072	-	1,653	1,798
Utilities	23	88	5	-	93	-	116	129
Total Expenses by Function	67,075	4,436	33,767	808	39,011	1,249	107,335	89,970
Less: Direct Benefit to Donors	-	-	(15,372)	-	(15,372)	-	(15,372)	(14,930)
Less: Cost of Sales	-	-	-	(808)	(808)	(662)	(1,470)	(920)
Total Expenses, Net	<u>\$ 67,075</u>	<u>\$ 4,436</u>	<u>\$ 18,395</u>	<u>\$ -</u>	<u>\$ 22,831</u>	<u>\$ 587</u>	<u>\$ 90,493</u>	<u>\$ 74,120</u>

See accompanying Notes to Consolidated Financial Statements.

**ROCKY MOUNTAIN ELK FOUNDATION, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2024**  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)  
(IN THOUSANDS)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 10,309	\$ 9,633
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Donated Conservation Land	90	(388)
Depreciation and Amortization	1,606	660
(Gain) Loss on Assets Sold/Written-Off	(1,176)	(2)
Change in Valuation of Split-Interest Agreement Liabilities	(36)	107
Realized and Unrealized (Gain) Loss on Investments	(5,529)	(2,171)
Cash Contributions Restricted for Long-Term Purposes	(25)	-
Changes in Operating Assets and Liabilities:		
Accounts Receivable, Net	(1,786)	1,131
Inventories	306	(1,287)
Prepaid Expenses and Other Assets	(106)	(6)
Accounts Payable and Accrued Liabilities	(715)	907
Deposits, Advances, and Deferred Revenue	211	29
Cash Provided (Used) by Conservation Land Activities:		
Acquisition of Conservation Properties Held for Resale	(13,011)	(18,409)
Proceeds from Sale of Conservation Properties	19,266	18,409
Net Cash Provided by Operating Activities	<u>9,404</u>	<u>8,613</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Proceeds and Income Reinvested	1,081	28,642
Investments Purchased	(10,698)	(27,907)
Proceeds from the Sale of Equipment	-	2
Additions to Property and Equipment	(2,437)	(1,569)
Additions to Artwork	(82)	-
Cash Paid for Business Combination Net of Cash Assumed	<u>-</u>	<u>(627)</u>
Net Cash Used by Investing Activities	<u>(12,136)</u>	<u>(1,459)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash Contributions Restricted for Long-Term Purposes	25	-
Proceeds from Annuitants on Split-Interest Agreements	258	45
Payments to Annuitants on Split-Interest Agreements	(211)	(207)
Payments to Notes Payable	<u>(213)</u>	<u>-</u>
Net Cash Used by Financing Activities	<u>(141)</u>	<u>(162)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(2,873)	6,992
Cash and Cash Equivalents - Beginning of Year	<u>30,165</u>	<u>23,173</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 27,292</u></u>	<u><u>\$ 30,165</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Donated Conservation Easements	<u><u>\$ 12,762</u></u>	<u><u>\$ 6,463</u></u>

See accompanying Notes to Consolidated Financial Statements.

**ROCKY MOUNTAIN ELK FOUNDATION, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**  
**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)**  
**(IN THOUSANDS)**

**NOTE 1 ORGANIZATION AND NATURE OF ACTIVITIES**

The Rocky Mountain Elk Foundation, Inc., (RMEF) is a national nonprofit, wildlife conservation organization, consisting of approximately 200,000 members. RMEF's mission is to ensure the future of elk, other wildlife, their habitat, and our hunting heritage. RMEF accomplishes its mission through its core mission programs: land conservation and access, habitat stewardship, hunting heritage, and wildlife management.

RMEF's primary sources of revenue are contributions from the public (including gifts of land), memberships, fundraising events, investment income, and corporate sponsorships. These resources are used to fund prioritized programs for the mission of RMEF. RMEF has about 485 individual chapters nationwide that perform conservation projects and various fundraising activities.

The consolidated financial statements include the accounts of OutdoorClass, LLC (OutdoorClass). RMEF has a controlling financial interest in OutdoorClass requiring consolidation within these financial statements. All intercompany accounts have been eliminated in consolidation.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Accounting Estimates**

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

**Classification of Net Assets**

Contributions to RMEF qualify for the charitable contribution deduction under Section 170(b)(1)(A) of the Internal Revenue Service. RMEF has been classified as an organization other than a private foundation under Section 509(a)(2). Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

**ROCKY MOUNTAIN ELK FOUNDATION, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)  
(IN THOUSANDS)

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Classification of Net Assets (Continued)**

RMEF's net assets have been grouped into the following two classes:

*Net Assets With Donor Restriction* – Consists of endowment gifts where donors have specified investment in perpetuity to generate income for specified restricted or general purposes, and contributions or other inflows of assets whose use by RMEF is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of RMEF, such as usage for specific programs.

*Net Assets Without Donor Restriction* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The board has designated net assets without donor restrictions for board-designated endowment funds.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, RMEF considers all highly liquid investments with an original maturity of three months or less to be cash equivalents, including repurchase agreements.

Cash and temporary investments at December 31, consist of the following:

	<u>2024</u>	<u>2023</u>
Cash in Savings, Checking, and Money Market Accounts	\$ 6,908	5,684
Cash and Cash Equivalents Held by Investment Managers	<u>20,384</u>	<u>24,481</u>
Total Cash and Cash Equivalents	<u>\$ 27,292</u>	<u>\$ 30,165</u>

**Concentration of Credit Risk**

At December 31, 2024 and 2023, bank demand deposits included \$28,715 and \$28,874, respectively, that were in excess of Federal Deposit Insurance Corporation insurance coverage.

RMEF invests its excess cash and cash equivalents in repurchase agreements and money market accounts which are collateralized through pooled U.S. Treasury securities pledged by the financial institution and not held in RMEF's name.

**ROCKY MOUNTAIN ELK FOUNDATION, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**  
**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)**  
**(IN THOUSANDS)**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Conservation Easements**

A conservation easement is an encumbrance, either donated or sold, which usually includes a transfer of usage rights and creates a legally enforceable land conservation agreement between a landowner and another entity. RMEF's policy for conservation easements presumes that the benefits of conservation easements flow through to the general public and are correspondingly recorded as a program expense when an easement is acquired. Conservation easements are recorded at cost, if purchased, or fair value at the date of the acquisition, if all or part of the easement was received as a donation. When donated, conservation easements are recorded as revenue at the date of acquisition. Fair value is generally determined by appraisal at the time of acquisition.

At December 31, 2024 and 2023, RMEF held 239 and 236 conservation easements on approximately 458,162 and 449,806 acres of habitat, respectively.

**Contributions**

Unconditional donor promises to give are reported at fair value at the date that there is sufficient verifiable evidence documenting that a promise was made by the donor and received by RMEF.

The gifts are reported as either net assets without donor restriction or net assets with donor restriction if they are received with donor stipulations that sufficiently limit the use of the donated assets.

When a donor restriction expires, through the passage of time or when the purpose is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and are reported on the statement of activities and changes in net assets as net assets released from restriction.

**Contracts and Grants**

RMEF receives grants and contracts from federal, state, and local agencies, as well as from private organizations, to be used for specific programs or land purchases. Unconditional grant awards are recorded as contribution revenue in the period which they are awarded. Grants awards having the existence of a condition but lacking in both the existence of a barrier and right of return to the resource provider, are classified as restricted contribution revenue until conditions of the award are met. Conditional grant awards, having both the existence of a barrier and right of return to the resource provider, are classified as refundable advances when received as a cash advance and are recognized as revenue when the awards are expended for the purpose of the grant or other conditions are satisfied.

At December 31, 2024 and 2023, deposits, advances, and deferred revenue included refundable advances totaling \$273 and \$117, respectively. At December 31, 2024 and 2023, conditional grants awarded, but not yet received, totaled \$8,440 and \$4,283, respectively.

**ROCKY MOUNTAIN ELK FOUNDATION, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**  
**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)**  
**(IN THOUSANDS)**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**In-Kind Donations**

A substantial number of volunteers have donated significant amounts of time for program services and supporting activities. The value of these contributions is not included in the accompanying consolidated financial statements as they typically do not meet the criteria for recognition in accordance with GAAP.

Services requiring specialized skills, or which create or enhance nonfinancial assets (primarily property or other assets) and would typically need to be purchased if not provided by donation are recorded. Contributed services recorded for the years ended December 31, 2024 and 2023 were \$-0-.

During the years ended December 31, 2024 and 2023, RMEF received conservation easements of \$12,762 and \$6,463, respectively. Fair value is generally determined by appraisal at the time of donation.

**Functional Allocation of Expenses**

The costs of providing the various programs and activities are summarized on a functional basis. Accordingly, certain costs have been allocated among programs and services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. These expenses that are allocated include depreciation which is allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, creative, distribution, and information technology, which are allocated on the basis of time and effort estimates.

- Land Conservation and Access represents conservation and protection activities through land acquisition and exchange as well as through easement acquisitions.
- Habitat Stewardship represents habitat enhancement projects to improve on the ground conditions for elk and other wildlife.
- Wildlife Management represents engagement through advocacy, collaboration, research, and management with a focus on key management challenges such as wildlife disease, population dynamics, migration corridors, elk ecology, and predator management.
- Hunting Heritage represents engagement in hunting and other outdoor pursuits through skills instruction, mentoring, conservation outreach, and hunting related products.

**Fundraising and Advertising Costs**

RMEF expenses the costs of fundraising and advertising as incurred. Total advertising costs were \$587 and \$494 for the years ended December 31, 2024 and 2023, respectively.

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

RMEF is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). However, net income from certain activities (advertising, certain inventory sales, and certain other items) not directly related to RMEF's tax-exempt purpose is subject to taxation as unrelated business income. Taxes related to these activities were not significant for the years ended December 31, 2024 and 2023.

**Investments**

Investments are reported at fair value based on quoted market prices. Interest, dividends, and realized and unrealized gains and losses are included in investment return. RMEF also holds an investment in OutdoorClass, LLC. This was accounted for under the equity method of accounting through November 30, 2023. See Note 16.

**Inventories**

Inventories consist of chapter event product, membership premiums, and retail product, primarily consisting of firearms, knives, clothing, and other outdoor related items. Inventories are valued at the lower of cost or net realizable value.

**Membership Benefits**

RMEF provides a variety of hunting related product to its members in conjunction with its hunting heritage program. Items vary with classes of membership. These direct and associated costs are reported separately in the statement of functional expenses.

**Properties Held for Conservation Resale**

Parcels which are held for resale to a conservation buyer, who will maintain and protect the property as habitat for elk and other wildlife, are recorded at fair value as of the date of donation, or original cost if purchased. The proceeds upon sale or transfer of these properties are recorded as revenue and the related cost is accounted for as land protection expense. Other acquisition costs are expensed as incurred.

RMEF engages in certain transactions whereby conservation properties are exchanged for more desirable parcels. These noncash transactions are recorded as revenue and program expense in the year of the exchange based on the carrying value of the exchanged property. The acquired parcel is carried at the same value as the exchanged parcel.

**Property and Equipment**

Property and equipment are recorded at cost or fair value if donated and greater than \$5. Depreciation is provided for property and equipment using the straight-line method over a period of 3 to 15 years. Buildings and related improvements are depreciated using the straight-line method over 10 to 40 years. Maintenance and repairs are charged to expense as incurred.

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Artwork**

Artwork consists of various bronze statues of continuing value and interest and are utilized for purposes of public display. These items are recorded at fair value as of the date of donation, or original cost if purchased, and are not depreciated.

**Postage and Shipping**

RMEF incurs postage and shipping costs related to membership and fundraising appeals, shipping merchandise to customers, and shipping merchandise and support materials to chapters for fundraising events. Total postage and shipping costs were \$5,011 and \$4,401 for the years ended December 31, 2024 and 2023, respectively.

**Revenue Recognition**

RMEF earns revenues from the sale of memberships, which provides the member access to special benefits during the annual membership period. Memberships are comprised of an exchange element based on the values of benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. RMEF recognizes the exchange portion when the item being exchanged is delivered to the member, and the contribution portion immediately. Deferred revenue associated with the exchange portion of the memberships was \$1,471 and \$1,534 as of December 31, 2024 and 2023, respectively.

OutdoorClass earns revenues from the sale of subscriptions, which provides the member access to online content during the annual subscription period. Revenue is recognized over the subscription period (12 months). Deferred revenue associated with subscriptions was \$341 and \$469 as of December 31, 2024 and 2023, respectively.

Registration and other receipts related to fundraising events are not recognized as revenue until the event occurs.

Donations of merchandise for special events are recorded as revenue at the time of the event.

RMEF raises funds to support its conservation mission through fundraising events in communities throughout the United States. Annually, RMEF volunteers host grassroots fundraising events, such as member and sponsor banquets. Chapters are chartered by RMEF and generally operate as unincorporated associations to support RMEF in the local community. Local chapters remit proceeds of these events (net of direct expenses incurred by the chapter in sponsoring and conducting the event) to RMEF, and provide reports of receipts and direct expenses.

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled.



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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the condition on which they depend is substantially met.

**Split-Interest Agreements**

RMEF is the beneficiary of charitable trust agreements under varying terms and conditions. The basis for recognition of the assets recorded by RMEF is its share of the fair value of the underlying assets. Some of the agreements require specified payments to third parties for varying periods. Accordingly, RMEF applies present value techniques to accrue amounts recognized.

RMEF maintains sufficient investments to fund the estimated future liability of its split-interest agreements. Charitable gift annuity reserves must meet the requirements of various states, including Washington, which requires an actuarially determined reserve level, plus a 10% surplus amount. This requirement is detailed by Washington in RCW 48.38.020. At December 31, 2024 and 2023, RMEF maintained approximately \$1,925 and \$1,660, respectively, of investments related to split-interest agreements. The invested balance exceeded the reserve requirement for both years.

**Accounts Receivable**

Accounts receivable are stated at original invoice less an estimate made for expected credit losses. RMEF estimates an allowance for credit losses generally based on historical losses adjusted for economic factors. Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Customer account balances with invoices dated over 30 days old are considered delinquent.

**Funds that Support the Land Conservation and Access Program**

The Conservation Easement Protection Fund is a board-designated fund established to support RMEF's conservation easement program. When RMEF accepts a conservation easement, it takes on the obligation to monitor and defend that easement in perpetuity.

The Mission Advancement Fund was established as a board-designated fund to provide active capital for completing mission projects.

**Business Combinations (Includes Goodwill)**

RMEF accounts for business acquisitions using the acquisition method of accounting and records any identifiable definite-lived intangible assets separate from goodwill. Intangible assets are recorded at their fair value based on estimates as of the date of acquisition. Goodwill is recorded as the residual amount of the purchase price consideration less the fair value assigned to the individual identifiable assets acquired and liabilities assumed as of the date of acquisition.

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Intangible Assets**

Goodwill is the excess of the cost of an acquired entity over the fair value of the assets acquired and liabilities assumed in a business combination. A fair value was assigned to the acquired entity's trade name as of the date of acquisition. Goodwill and the trade name are amortized over a 10-year period and impairment is tested at the entity level.

Content assets are internally developed educational videos available for subscriber use. In accordance with ASC 926, *Entertainment-Films*, the costs associated with production including development cost, direct costs, and production overhead are capitalized. Content assets are amortized over a three-year period and expensed as cost of sales. Impairment is tested at the entity level.

Intangible assets are reviewed for potential impairment whenever events and circumstances indicate that the carrying amount may not be recoverable. When impairment is likely, RMEF calculates impairment as the amount the carrying value exceeds its fair value. There was no impairment of intangible assets during 2024 or 2023.

The following is a summary of goodwill activity as of December 31:

	<u>Gross Amount</u>	<u>Accumulated Amortization</u>	<u>Net Amount</u>
Balance, December 31, 2023	\$ 2,550	\$ (22)	\$ 2,528
Addition of Goodwill	-	-	-
Current Year Amortization	-	(254)	(254)
Balance, December 31, 2024	<u>\$ 2,550</u>	<u>\$ (276)</u>	<u>\$ 2,274</u>

The following is a summary of intellectual property activity as of December 31:

	<u>Gross Amount</u>	<u>Accumulated Amortization</u>	<u>Net Amount</u>
Balance, December 31, 2023	\$ 1,952	\$ (51)	\$ 1,901
Addition of Intellectual Property	264	-	264
Current Year Amortization	-	(662)	(662)
Balance, December 31, 2024	<u>\$ 2,216</u>	<u>\$ (713)</u>	<u>\$ 1,503</u>

The following is a summary of trade name activity as of December 31:

	<u>Gross Amount</u>	<u>Accumulated Amortization</u>	<u>Net Amount</u>
Balance, December 31, 2023	\$ 116	\$ (1)	\$ 115
Addition of Trade Name	-	-	-
Current Year Amortization	-	(12)	(12)
Balance, December 31, 2024	<u>\$ 116</u>	<u>\$ (13)</u>	<u>\$ 103</u>

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Intangible Assets (Continued)**

Amortization expense was \$928 and \$74 for the years ended December 31, 2024 and 2023, respectively, of these amount \$662 and \$51 was captured as cost of sales for the years ended December 31, 2024 and 2023, respectively.

Future amortization expense related to intangible assets is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 974
2026	923
2027	406
2028	267
2029	267
Thereafter	1,043
Total	<u>\$ 3,880</u>

**Subsequent Events**

RMEF has evaluated subsequent events through June 18, 2025, the date on which the consolidated financial statements were available to be issued. On May 30, 2025, RMEF entered into an agreement with the University of Montana for the creation, development and operation of the Center for Hunting and Conservation. The Center will be located in a new building for the W.A. Franke College of Forestry and Conservation, to be constructed on the University Campus. The Center will be dedicated to advancing research, education and outreach at the critical intersection of hunting and conservation. RMEF has committed up to \$6,000 in future funding for this venture.

**NOTE 3 UNCONDITIONAL PROMISES TO GIVE**

RMEF recognizes unconditional promises to give (pledges) at net realizable value. The imputed interest rates utilized for computing the discount for long-term pledges is 4.48% and 5.33% at December 31, 2024 and 2023, respectively. An allowance is made for uncollectible pledges based upon management's judgment, analysis of the creditworthiness of the donors, past collection experience, and other relevant factors.

As of December 31, unconditional promises to give were as follows:

	<u>2024</u>	<u>2023</u>
Receivable in Less than One Year	\$ 604	\$ 52
Receivable in One to Five Years	812	157
Total	1,416	209
Less: Unamortized Discount	(123)	(14)
Less: Allowance for Uncollectible Pledges	(12)	(12)
Net Unconditional Promises to Give	1,281	183
Less: Long-Term Portion	(677)	(131)
Net Unconditional Promises to Give, Current	<u>\$ 604</u>	<u>\$ 52</u>

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**NOTE 4 RECEIVABLES – OTHER THAN PROMISES TO GIVE**

**Trade, Advertising, and Royalties**

An allowance is made for credit losses based upon management's judgment, analysis of the creditworthiness of the company or individual, past collection experience, and other relevant factors.

**Membership**

An allowance is made for credit losses based upon management's judgment, past collection experience, and other relevant factors.

**Grants**

Grant awards consist of grants awarded for various projects. In accordance with GAAP, RMEF does not record conditional promises to give until the conditions are satisfied. No allowance is considered necessary for uncollectible grants based on prior collection experience.

**Charitable Remainder Trusts**

RMEF has interests in irrevocable trusts which are reported at their estimated present value and no allowance is considered necessary.

As of December 31, receivables, other than promises to give, were as follows:

	2024	2023
Accounts Receivable:		
Trade, Advertising, and Royalties	\$ 600	\$ 348
Membership	176	235
Stop Loss	243	-
Grants	6	-
Miscellaneous Clearing	29	2
Employee	57	-
Related Parties:		
Chapter BGB Reserve for Error	(13)	(22)
Interest in Charitable Remainder Trusts	529	364
Gross Accounts Receivable	1,627	927
Less: Allowance for Credit Losses	(170)	(158)
Total Accounts Receivable, Net	1,457	769
Less: Long-Term Portion	(529)	(364)
Current Portion	\$ 928	\$ 405

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**NOTE 5 INVESTMENTS**

Investments are summarized as follows at December 31:

	2024	2023
Equities	\$ 61,328	\$ 32,307
Fixed Income	31,680	45,572
Alternative Investments	445	405
Other	-	23
Total	<u>\$ 93,453</u>	<u>\$ 78,307</u>

Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without prepayment penalties.

Earnings on cash and investment securities consist of the following for the years ended December 31:

	2024	2023
Net Realized and Unrealized Gains	\$ 5,529	\$ 2,016
Interest and Dividends on Investments	3,796	2,572
Investment Fees	(178)	(132)
Total	9,147	4,456
Interest on Cash Accounts	913	1,064
Total Investment Return on Cash and Investments	<u>\$ 10,060</u>	<u>\$ 5,520</u>

**NOTE 6 FAIR VALUES MEASURED ON A RECURRING BASIS**

Valuation Techniques: Financial assets and liabilities valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities using Level 3 inputs are primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied.

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**NOTE 6 FAIR VALUES MEASURED ON A RECURRING BASIS (CONTINUED)**

Fair values of assets measured on a recurring basis at December 31 were as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	2024 Total	2023 Total
Equities	\$ 61,328	\$ -	\$ -	\$ 61,328	\$ 32,307
Fixed Income	31,531	149	-	31,680	45,572
Other	-	-	-	-	23
Total Investments at Fair Value	<u>\$ 92,859</u>	<u>\$ 149</u>	<u>\$ -</u>	93,008	77,902
Investments Measured at NAV:					
Private Credit				445	405
Total				<u>\$ 93,453</u>	<u>\$ 78,307</u>

The following is a description of the valuation methodologies used for assets measured at fair value:

*Equities, Fixed Income, and Other* – Valued at the closing price reported on the active market on which the securities are traded.

*Alternative Investments* – Valued based on information received from underlying investment funds/managers adjusted for subsequent capital contributions (valued at cost), distributions, and fund accruals.

There have been no changes in the methodologies used at December 31, 2024 and 2023.

Investment in OutdoorClass, LLC is accounted for using the equity method of accounting through November 20, 2023 (see Note 1).

RMEF had the following investments in and commitments to alternative investment funds at December 31:

	Net Asset Value		Unfunded	Redemption	Redemption
	2024	2023	Commitments	Schedule	Notice Period
Private Credit	\$ 445	\$ 405	\$ -	Quarterly	N/A

No impairment losses were recorded on alternative investments in 2024.

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**NOTE 7 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

	2024	2023
Land	\$ 2,380	\$ 2,380
Buildings and Improvements	14,326	13,900
Furniture and Equipment	3,686	4,247
Total	20,392	20,527
Less: Allowances for Depreciation	(9,241)	(9,274)
Total	11,151	11,253
Assets in Progress	3,071	1,458
Total Property and Equipment, Net	<u>\$ 14,222</u>	<u>\$ 12,711</u>

Depreciation expense totaled \$678 and \$585 in 2024 and 2023, respectively.

Assets in progress consisted of a software implementation, visitor center remodel, and other various projects totaling \$3,071 at December 31, 2024. Costs to complete these projects are estimated at \$1,682 with all assets expected to be placed in service in 2025.

**NOTE 8 CONSERVATION LAND HOLDINGS**

Properties held for conservation resale and conservation land holdings totaled \$2,288 and \$7,473 at December 31, 2024 and 2023, respectively. Management believes the carrying value of properties held for resale does not exceed the amount expected upon sale.

**NOTE 9 SPLIT-INTEREST AGREEMENTS**

The present value of the estimated future payments on split-interest agreements was calculated using discount rates at the date of gift and applicable mortality tables.

The following summarizes the change in split-interest agreements for the years ended December 31:

	2024	2023
Estimated Present Value of Liability at January 1	\$ 1,394	\$ 1,449
Increase in Estimated Present Value of Liability from Contribution	102	17
Decrease in Estimated Present Value Due to Beneficiary Payments	(211)	(207)
Change in Estimated Present Value from Revaluation	120	135
Estimated Present Value of Liability at December 31	1,405	1,394
Less: Estimated Current Portion	(209)	(210)
Total Long-Term Portion	<u>\$ 1,196</u>	<u>\$ 1,184</u>

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**NOTE 10 NET ASSETS**

At December 31, net assets consist of the following:

	2024	2023
Net Assets With Donor Restriction:		
Restricted for Purpose	\$ 1,624	\$ 133
Subject to the Passage of Time	680	666
Gift Annuities with Perpetual Restriction	753	684
Donor-Restricted Endowment Funds:		
Original Donor-Restricted Corpus	31,984	31,959
Accumulated Investment Gains	20,654	17,269
Total Net Assets With Donor Restriction	<u>\$ 55,695</u>	<u>\$ 50,711</u>
Net Assets Without Donor Restriction:		
Undesignated	\$ 46,244	\$ 49,196
Noncontrolling Interest	1,263	1,428
Board-Designated Endowment Funds:		
Conservation Easement Protection Fund	5,151	4,671
Mission Advancement Fund	35,295	27,333
Total Net Assets Without Donor Restriction	<u>\$ 87,953</u>	<u>\$ 82,628</u>

For the years ended December 31, net assets with donor restriction were released as follows:

	2024	2023
Expiration of Time Restriction	\$ 273	\$ 351
Fulfillment of Purpose Restriction	3,446	3,051
Total	<u>\$ 3,719</u>	<u>\$ 3,402</u>

**NOTE 11 RETIREMENT PLANS**

Employees may elect to make voluntary contributions to a tax-sheltered annuity plan under IRC Section 403(b). Additionally, employees may elect to make voluntary contributions to a 403(b) Roth plan. RMEF's plan provides a company match of up to 5% of employee contributions. Vesting is immediate for both employee voluntary contributions and RMEF contributions.

RMEF also has a 457(b) nonqualified tax-deferred compensation plan. Participation is limited to a select group of highly compensated employees making the plan exempt from most Employee Retirement Income Security Act of 1974 (ERISA) requirements. Eligible employees may make voluntary contributions to the 457(b) plan. RMEF does not provide contributions to this plan. Vesting is immediate for employee voluntary contributions.



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**NOTE 11 RETIREMENT PLANS (CONTINUED)**

Additionally, RMEF has a 457(f) nonqualified tax-deferred compensation plan. Participation is limited to select management or highly compensated employees making the plan exempt from most ERISA requirements. This plan is utilized as a retention tool for key employees. RMEF makes annual contributions on behalf of eligible employees which do not vest until, and unless, multi-year contractual obligations are fulfilled. Employees are not eligible to make voluntary contributions to this plan. Plan assets are recorded as long-term investments with corresponding plan liabilities recorded in accrued liabilities until being relieved upon vesting. The asset and liability recorded for this plan was \$-0- and \$23 as of December 31, 2024 and 2023, respectively.

RMEF's total contributions under retirement plans for the years ended December 31, 2024 and 2023 were \$511 and \$509, respectively.

**NOTE 12 COMMITMENTS**

**Project Commitments**

RMEF has entered into various commitments with federal and state agencies and other conservation organizations to fund land conservation, wildlife management, habitat stewardship, and hunting heritage projects. These commitments totaled \$4,154 and \$4,728 at December 31, 2024 and 2023, respectively.

**Operating Line of Credit**

During the years ended December 31, 2024 and 2023, RMEF maintained a \$12,000 line of credit with a financial institution. The stated interest rate is the Secured Overnight Financing Rate, which was 4.49% at December 31, 2024, plus a margin of 1.6%. The line has no stated expiration date and is secured by marketable securities. There were no amounts outstanding at December 31, 2024 and 2023.

February 28, 2025, RMEF entered into an additional \$3,000 line of credit with a financial institution. The line expires February 28, 2026, and is secured by accounts receivable, equipment, intangibles, and inventory. The interest rate is 2% above Daily Simple Secured Overnight Financing Rate.

**Self-Insurance**

RMEF has established a plan to act as a self-insurer, up to a set deductible amount, for its employee health insurance program. The annual aggregate attachment point of RMEF under this self-insurance program was approximately \$1,965 and \$1,611 for the years ended December 31, 2024 and 2023, respectively, with a stop-loss of \$75 per insured individual. This estimate would be RMEF's actual liability only if all participants claimed the full amount of available benefits for health costs in a one-year period.

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**NOTE 12 COMMITMENTS (CONTINUED)**

**Self-Insurance (Continued)**

Losses and claims are expensed when they are funded to a Claims Payment Account based on estimated claims incurred and covered by the plan. In 2024 and 2023, the amount of premiums and claims paid were \$2,120 and \$2,460, respectively. At December 31, 2024 and 2023, the cash balance of the reserve account was \$208 and \$401, respectively. In 2024 and 2023, RMEF's estimate of net claims incurred but not paid was \$254 and \$401, respectively.

**NOTE 13 ENDOWMENT FUNDS**

RMEF's endowment consists of five individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

The board of directors has interpreted the Montana Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, when reviewing its donor-restricted endowment funds, RMEF considers the value of a fund to be deficient if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

RMEF has interpreted UPMIFA to permit spending from deficient funds in accordance with the prudent measures required under the law. In accordance with UPMIFA, RMEF considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of RMEF and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of RMEF
- The investment policies of RMEF

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**NOTE 13 ENDOWMENT FUNDS (CONTINUED)**

**Interpretation of Relevant Law (Continued)**

Endowment Net Asset Composition by Type of Fund as of December 31				
	Without Donor Restriction	With Donor Restriction	2024 Total	2023 Total
Board-Designated Endowment Funds:				
Conservation Easement Protection Fund	\$ 5,151	\$ -	\$ 5,151	\$ 4,671
Mission Advancement Fund	35,295	-	35,295	27,333
Total	40,446	-	40,446	32,004
Donor-Restricted Endowment Funds:				
General	-	3,802	3,802	3,777
Midway USA	-	400	400	400
Torstenon Family	-	27,782	27,782	27,782
Total	-	31,984	31,984	31,959
Accumulated Investment Gains:				
General	-	4,953	4,953	4,354
Midway USA	-	294	294	261
Torstenon Family	-	15,407	15,407	12,654
Total	-	20,654	20,654	17,269
Total Endowment Funds	\$ 40,446	\$ 52,638	\$ 93,084	\$ 81,232

Changes in Endowment Net Assets for the Year Ended December 31				
	Without Donor Restriction	With Donor Restriction	2024 Total	2023 Total
Endowment Net Assets -				
Beginning of Year	\$ 32,004	\$ 49,228	\$ 81,232	\$ 60,780
Investment Return, Net	3,712	5,199	8,911	5,889
Other Income	36	-	36	173
Contributions	-	25	25	-
Other Changes:				
Release from Restriction	-	(1,814)	(1,814)	(2,527)
Additional Board Designations	6,094	-	6,094	16,917
Appropriated for Expenditure	(1,400)	-	(1,400)	-
Endowment Net Assets - End of Year	\$ 40,446	\$ 52,638	\$ 93,084	\$ 81,232

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**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)**  
**(IN THOUSANDS)**

**NOTE 13 ENDOWMENT FUNDS (CONTINUED)**

**Donor-Restricted Funds**

Return Objectives and Risk Parameters

RMEF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that RMEF must hold in perpetuity or for a donor specified period(s). Given the relationship between risk and return, a fundamental step in determining the investment policy for the Endowment Funds is the determination of an appropriate risk tolerance. After taking into consideration such factors as corporate financial stability, uncertainty of cash flows in and out of the Endowment Funds over the long-term, and capital market volatility, the board believes a moderate risk strategy is prudent. Under this policy, as approved by the board of directors, the goal is to have stable returns over the long-term, with a reduced potential of negative returns in any given year.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, RMEF relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). RMEF targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

RMEF has a policy of distributing up to 5% of its endowment average fair value over the prior 12 quarters through the calendar year-end preceding the calendar year in which the distribution is planned. In establishing this policy, RMEF considered the long-term expected return of its endowment. Accordingly, over the long-term, RMEF expects the current spending policy to allow its endowment to grow 2% annually. This is consistent with RMEF's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**ROCKY MOUNTAIN ELK FOUNDATION, INC. AND SUBSIDIARY**  
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(IN THOUSANDS)

**NOTE 13 ENDOWMENT FUNDS (CONTINUED)**

**Board-Designated Funds – Without Donor Restrictions**

Return Objectives and Risk Parameters

RMEF has adopted investment and spending policies for board-designated endowment assets that attempt to meet the specific needs of the programs supported by its endowments. Endowment assets include those assets which are board-designated funds. Given the relationship between risk and return, a fundamental step in determining the investment policy for the Board-Designated Endowment Funds is the determination of an appropriate risk tolerance. After taking into consideration such factors as corporate financial stability, uncertainty of cash flows in and out of the Endowment Funds over the long-term, and capital market volatility, the board believes a moderate risk strategy is prudent. Under the Conservation Easement Protection Fund (CEPF) policy, as approved by the board of directors, the investment objective for fund assets is growth and income; a total return approach emphasizing both current growth and income over a relatively long-term.

Under the Mission Advancement Fund (MAF) policy, as approved by the board of directors, the investment objective for fund assets is growth and income, a total return approach emphasizing both current growth and income over an intermediate term.

Strategies Employed for Achieving Objectives

*Conservation Easement Protection Fund:* To satisfy its long-term return objectives, RMEF relies on a return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). RMEF targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

*Mission Advancement Fund:* To satisfy its moderate-term rate of return objectives, RMEF relies on a return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). RMEF targets a diversified asset allocation that places equal emphasis on equity and fixed income-based investments to achieve its moderate term objectives with prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

*Conservation Easement Protection Fund:* RMEF has a policy of distributing up to 5% of its average fair value over the prior 12 quarters through the calendar year-end preceding the calendar year in which the distribution is planned. Additional distributions are allowed for the legal defense of challenges to conservation easements held by RMEF.

*Mission Advancement Fund:* Distributions from the fund must be consistent with a board of directors approved budget or specifically approved by the board outside of the budget.

**ROCKY MOUNTAIN ELK FOUNDATION, INC. AND SUBSIDIARY**  
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(IN THOUSANDS)

**NOTE 14 AVAILABILITY OF FINANCIAL ASSETS**

As part of RMEF's liquidity management plan, cash in excess of monthly requirements is invested in short-term investments and money market funds. RMEF also maintains a line of credit totaling \$12,000 with a financial institution which can be drawn upon as needed during the year to manage cash flow.

The following reflects RMEF's financial assets as of the date of the consolidated statement of financial position, reduced by amounts not available for general use within one year of the date because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside for long-term investing in the operating and capital reserves that could be drawn upon if the governing board approves that action.

	2024	2023
Cash	\$ 27,292	\$ 30,165
Accounts Receivable, Net, to be Collected in		
Less than One Year	928	405
Unconditional Promises to Give, Net, to be Collected		
in Less than One Year	604	52
Investments	<u>93,453</u>	<u>78,307</u>
Total Financial Assets, Excluding		
Noncurrent Receivables	122,277	108,929
Less:		
Board-Designated and Donor-Restricted		
Endowment Funds	(93,084)	(81,233)
Add Back:		
Amounts Available for General Expenditure	178	132
Donor Restricted for Specific Programs	<u>(1,624)</u>	<u>(133)</u>
Total	<u>(94,530)</u>	<u>(81,234)</u>
Financial Assets Available to Meet Cash Needs		
for General Expenditures Within One Year	<u>\$ 27,747</u>	<u>\$ 27,695</u>

RMEF's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from endowments is restricted for specific purposes, with exception of amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

**ROCKY MOUNTAIN ELK FOUNDATION, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)  
(IN THOUSANDS)

**NOTE 15 FUNCTIONAL EXPENSES**

The following schedule provides the functional expense detail of program service accomplishments as of December 31:

	Land Conservation and Access	Habitat Stewardship	Wildlife Management	Hunting Heritage	2024 Total	2023 Total
Bad Debt (Recoveries)	\$ -	\$ -	\$ -	\$ 3	\$ 3	\$ -
Conservation Easements	14,027	-	-	-	14,027	9,826
Conservation Projects	-	5,496	2,929	549	8,974	5,735
Depreciation and Amortization	45	35	3	262	345	336
Direct Benefit to Donor	-	-	-	-	-	-
Education and Awareness	182	213	32	193	620	564
Employee Benefits	491	426	46	273	1,236	1,070
Employee Salaries	1,984	1,707	202	1,082	4,975	4,278
Hunting Heritage Merchandise	-	-	-	5,105	5,105	4,945
Insurance	-	12	-	15	27	42
Land Conservation, Excluding						
Conservation Easements	13,081	10,295	-	648	24,024	27,280
Membership Benefits	-	-	-	3,148	3,148	3,617
Merchandise	-	-	-	141	141	12
Miscellaneous	36	492	1	61	590	504
Postage and Shipping	4	120	-	7	131	134
Printing and Publications	5	10	-	991	1,006	987
Professional Fees	840	638	70	293	1,841	991
Rent and Maintenance	1	8	-	51	60	48
Supplies	30	48	3	65	146	160
Telephone	28	37	1	6	72	71
Travel and Meetings	169	353	10	49	581	541
Utilities	-	-	-	23	23	22
Total	<u>\$ 30,923</u>	<u>\$ 19,890</u>	<u>\$ 3,297</u>	<u>\$ 12,965</u>	<u>\$ 67,075</u>	<u>\$ 61,163</u>

**NOTE 16 BUSINESS COMBINATION**

On December 1, 2023, RMEF purchased an additional 29.8% ownership interest in OutdoorClass, LLC through the payment of cash. The total consideration of \$1,150 was paid on December 1, 2023. Prior to December 1, 2023, RMEF previously held 32.6% ownership, this transaction brings total ownership to 62.4%. RMEF revalued the previously held investment at the date of the business combination. The loss of \$1,010 is included in investment income for the year ended December 31, 2023.

**ROCKY MOUNTAIN ELK FOUNDATION, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**  
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(IN THOUSANDS)

**NOTE 16 BUSINESS COMBINATION (CONTINUED)**

RMEF acquired a majority ownership interest in OutdoorClass, LLC by purchasing additional units from the previous majority owner, which effectively allowed RMEF to assume the role of manager and more directly influence the long-term vision and day-to-day operations of the business. This business combination capitalizes on natural synergies between the two business models. Most importantly, OutdoorClass, LLC provides RMEF with a unique opportunity to effectively deliver mission through its Hunting Heritage program. In addition, the business model of recurring subscription revenue aligns closely with RMEF's recurring membership model and facilitates an ancillary benefit of introducing RMEF to potential members.

The following assets and liabilities were acquired:

Cash	\$	523
Accounts Receivable		14
Prepaid Expenses		18
Equipment		130
Goodwill		2,550
Intangibles		2,031
Accounts Payable and Accrued Expenses		(85)
Deferred Revenue		(496)
Long-Term Liability		(821)

**NOTE 17 OTHER LIABILITY**

On January 1, 2021, OutdoorClass, LLC entered into an Operating Agreement which requires annual guaranteed payments of \$463 to one of the Company's members for five years, with a final one-time payment of \$200 due on April 30, 2026. This agreement was entered into by OutdoorClass at inception in exchange for intangible assets contributed by the member. As of December 31, 2024 and 2023, the gross outstanding liability was \$663 and \$894, respectively. A present value discount of \$55 and \$73, respectively has been applied, resulting in a net discounted liability of \$608 and \$821 at December 31, 2024 and 2023, respectively.

Future payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 463
2026	200
Total Payments	663
Less: Discount	(55)
Total	<u>\$ 608</u>



**ROCKY MOUNTAIN ELK FOUNDATION, INC.**  
**STAND ALONE STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2024**  
**(IN THOUSANDS)**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 26,790
Receivables, Net	1,082
Net Unconditional Promises to Give, Current	604
Inventories	8,417
Prepaid Expenses	1,021
Total Current Assets	<u>37,914</u>
Investments	95,548
Property and Equipment, Net	14,148
Long-Term Receivables, Net	529
Net Unconditional Promise to Give, Net of Current	677
Conservation Land Holdings	2,288
Artwork	<u>396</u>
Total Assets	<u><u>\$ 151,500</u></u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable and Accrued Liabilities	\$ 5,717
Deposits, Advances, and Deferred Revenue	1,993
Split-Interest Agreement Liabilities, Current	<u>209</u>
Total Current Liabilities	7,919

**LONG-TERM LIABILITIES**

Split-Interest Agreement Liabilities, Net of Current Portion	<u>1,196</u>
Total Liabilities	9,115

**NET ASSETS**

Without Donor Restriction	86,690
With Donor Restriction	<u>55,695</u>
Total Net Assets	<u>142,385</u>
Total Liabilities and Net Assets	<u><u>\$ 151,500</u></u>

**ROCKY MOUNTAIN ELK FOUNDATION, INC.**  
**STAND ALONE STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2024**  
**(IN THOUSANDS)**

	Without Donor Restriction	With Donor Restriction	Total
<b>FUNDS SPENT ON MISSION ACCOMPLISHMENT BY PROGRAM</b>			
Program Services Expenses:			
Land Protection	\$ 30,923	\$ -	\$ 30,923
Habitat Stewardship	19,890	-	19,890
Wildlife Management	3,297	-	3,297
Hunting Heritage	12,965	-	12,965
Total Program Services Expenses	67,075	-	67,075
<b>SOURCE OF FUNDS FOR MISSION ACCOMPLISHMENT</b>			
Public Support:			
Contributions	14,186	3,296	17,482
Membership	7,797	138	7,935
Special Events	41,744	-	41,744
Less: Direct Donor Benefits	(15,372)	-	(15,372)
Change/Revalue Split Interest Agreements	(125)	70	(55)
Total Public Support	48,230	3,504	51,734
Program Service Revenue:			
Conservation Land Sales	17,751	-	17,751
Conservation Easements	12,762	-	12,762
Contract Revenue	206	-	206
Government Grants	2,671	-	2,671
Total Program Services Revenue	33,390	-	33,390
Other:			
Investment Return	4,586	5,199	9,785
Advertising, Royalties, and Other Sales	4,749	-	4,749
Less: Cost of Sales	(808)	-	(808)
Other Income	349	-	349
Gain (Loss) on Assets Sold/Written Off	1,183	-	1,183
Net Assets Released from Restrictions	3,719	(3,719)	-
Total Other	13,778	1,480	15,258
Support Service Expenses:			
Fundraising	18,395	-	18,395
Administrative	4,436	-	4,436
Total Support Service Expenses	22,831	-	22,831
<b>FUNDS AVAILABLE FOR MISSION ACCOMPLISHMENT</b>	72,567	4,984	77,551
<b>CHANGE IN NET ASSETS</b>	5,492	4,984	10,476
Net Assets - Beginning of Year	81,198	50,711	131,909
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 86,690</u>	<u>\$ 55,695</u>	<u>\$ 142,385</u>

