

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pheasants Forever, Inc. and Subsidiaries
St. Paul, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Pheasants Forever, Inc. and Subsidiaries (a non-profit organization), which comprise the consolidated balance sheets as of June 30, 2022 and 2021 and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Pheasants Forever, Inc. and Subsidiaries as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pheasants Forever, Inc. and Subsidiaries 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's for the 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 Pheasants Forever, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 Pheasants Forever, Inc. and Subsidiaries' 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 Pheasants Forever, Inc. and Subsidiaries' 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022 on our consideration of Pheasants Forever, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Pheasants Forever, Inc. and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pheasants Forever, Inc. and Subsidiaries' internal control over financial reporting and compliance.

Other Information Included in the Organization's Annual Report

Management is responsible for the other information included in Pheasants Forever, Inc. and Subsidiaries' annual report. The other information comprises a letter from the President and CEO, and an overview of the organization's activities, accomplishments, program statistics; and financial results, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance on it.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in black ink that reads "Boyum & Barescheer PLLP". The signature is written in a cursive, flowing style.

Boyum & Barescheer PLLP

Minneapolis, Minnesota
December 15, 2022

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2022 AND 2021

ASSETS	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 17,289,945	\$ 12,949,996
Investments - Short-term	7,435,334	7,852,803
Accounts Receivable (Net)	12,423,612	11,187,121
Pledges Receivable (Net)	1,241,691	1,126,529
Inventories	11,571	69,705
Land Held for Resale & Conservation	3,299,195	5,042,925
Prepaid Expenses & Other Assets	933,706	847,064
Total Current Assets	<u>42,635,054</u>	<u>39,076,143</u>
PROPERTY AND EQUIPMENT	4,398,439	6,110,282
Less: Accumulated Depreciation	2,586,661	4,187,383
Total Property and Equipment	<u>1,811,778</u>	<u>1,922,899</u>
OTHER ASSETS		
Investments - Endowments and Similar Funds	8,457,805	9,312,057
Land Held for Resale & Conservation	8,705,501	5,216,831
Pledges Receivable - Long-Term	1,012,912	961,998
Beneficial Interest in Trusts	1,129,029	1,116,797
Cash Surrender Value of Life Insurance	789,531	627,842
Total Other Assets	<u>20,094,778</u>	<u>17,235,525</u>
Total Assets	<u>\$ 64,541,610</u>	<u>\$ 58,234,567</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 6,271,273	\$ 5,185,774
Accrued Employee Benefits, Withholdings and Other Liabilities	2,440,814	1,722,275
Current Maturities of Long Term Debt	-	1,396
Grant Advances	4,423,939	5,605,955
Deferred Revenues	1,624,223	2,137,095
Liability Under Annuity Agreement	20,508	18,812
Total Current Liabilities	<u>14,780,757</u>	<u>14,671,307</u>
LONG-TERM LIABILITIES		
Liability Under Annuity Agreement	95,480	139,559
Long-Term Debt, Net of Current Maturities	1,160,538	-
Total Long-Term Liabilities	<u>1,256,018</u>	<u>139,559</u>
Total Liabilities	16,036,775	14,810,866
NET ASSETS		
Without Donor Restrictions	30,638,588	26,595,047
With Donor Restrictions	17,866,247	16,828,654
Total Net Assets	<u>48,504,835</u>	<u>43,423,701</u>
Total Liabilities and Net Assets	<u>\$ 64,541,610</u>	<u>\$ 58,234,567</u>

See accompanying Notes to Consolidated Financial Statements.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Support:			
Contributions - Cash & Other Financial Assets	\$ 8,892,374	\$ 2,474,467	\$ 11,366,841
Contributions - Nonfinancial Assets	16,809,965	240,032	17,049,997
Government Program Grants	48,908,001	-	48,908,001
Banquet and Event Revenues	26,223,560	-	26,223,560
Costs of Direct Benefit to Donors	(15,213,563)	-	(15,213,563)
Net Support from Banquets and Events	11,009,997	-	11,009,997
Membership Dues	5,888,006	-	5,888,006
Total Support	91,508,343	2,714,499	94,222,842
Revenue:			
Sales of Merchandise	98,048	-	98,048
Cost of Merchandise Sold	(43,780)	-	(43,780)
Gross Profit on Merchandise Sales	54,268	-	54,268
Program Service Revenue	8,931,077	-	8,931,077
Advertising Revenues	1,293,596	-	1,293,596
Investment Income	(1,149,888)	(239,113)	(1,389,001)
Other Income	735,987	-	735,987
Total Revenue	9,865,040	(239,113)	9,625,927
Net Assets Released from Restrictions			
Satisfaction of Program Restrictions	640,032	(640,032)	-
Collection of Pledges	756,511	(756,511)	-
Release for Endowment Spending Policy	41,250	(41,250)	-
Total Net Assets Released from Restrictions	1,437,793	(1,437,793)	-
Total Support and Revenues	102,811,176	1,037,593	103,848,769
EXPENSES			
Program Services:			
Habitat Projects and Programs	78,657,547	-	78,657,547
Public Awareness and Education	6,719,777	-	6,719,777
Government Relations	685,602	-	685,602
Chapter, Volunteer and Member Services	2,229,354	-	2,229,354
Total Program Services	88,292,280	-	88,292,280
Supporting Services:			
Administrative Expenses	2,853,754	-	2,853,754
Fundraising Expenses	7,621,601	-	7,621,601
Total Supporting Services	10,475,355	-	10,475,355
Total Expenses	98,767,635	-	98,767,635
CHANGES IN TOTAL NET ASSETS	4,043,541	1,037,593	5,081,134
Net Assets - Beginning of the Year	26,595,047	16,828,654	43,423,701
NET ASSETS - END OF YEAR	\$ 30,638,588	\$ 17,866,247	\$ 48,504,835

See accompanying Notes to Consolidated Financial Statements.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Support:			
Contributions - Cash & Other Financial Assets	\$ 4,854,798	\$ 7,726,339	\$ 12,581,137
Contributions - Nonfinancial Assets	14,225,663	140,793	14,366,456
Government Program Grants	47,249,804	-	47,249,804
Banquet and Event Revenues	10,398,248	-	10,398,248
Costs of Direct Benefit to Donors	(7,234,782)	-	(7,234,782)
Net Support from Banquets and Events	3,163,466	-	3,163,466
Membership Dues	4,613,990	-	4,613,990
Total Support	74,107,721	7,867,132	81,974,853
Revenue:			
Sales of Merchandise	490,816	-	490,816
Cost of Merchandise Sold	(426,492)	-	(426,492)
Gross Profit on Merchandise Sales	64,324	-	64,324
Program Service Revenue	9,024,042	-	9,024,042
Advertising Revenues	1,176,533	-	1,176,533
Investment Income	879,415	336,565	1,215,980
Other Income	611,388	-	611,388
Forgiveness of Payroll Protection Program Loan	4,184,266	-	4,184,266
Total Revenue	15,939,968	336,565	16,276,533
Net Assets Released from Restrictions			
Satisfaction of Program Restrictions	312,817	(312,817)	-
Collection of Pledges	1,237,976	(1,237,976)	-
Release for Endowment Spending Policy	42,591	(42,591)	-
Total Net Assets Released from Restrictions	1,593,384	(1,593,384)	-
Total Support and Revenues	91,641,073	6,610,313	98,251,386
EXPENSES			
Program Services:			
Habitat Projects and Programs	72,493,614	-	72,493,614
Public Awareness and Education	5,362,797	-	5,362,797
Government Relations	531,307	-	531,307
Chapter, Volunteer and Member Services	2,433,742	-	2,433,742
Total Program Services	80,821,460	-	80,821,460
Supporting Services:			
Administrative Expenses	2,437,091	-	2,437,091
Fundraising Expenses	6,733,356	-	6,733,356
Total Supporting Services	9,170,447	-	9,170,447
Total Expenses	89,991,907	-	89,991,907
CHANGES IN TOTAL NET ASSETS	1,649,166	6,610,313	8,259,479
Net Assets - Beginning of the Year (as previously reported)	26,010,533	10,218,341	36,228,874
Cumulative Effect of Change in Accounting Principle	(1,064,652)	-	(1,064,652)
Net Assets - Beginning of the Year (as restated)	24,945,881	10,218,341	35,164,222
NET ASSETS - END OF YEAR	\$ 26,595,047	\$ 16,828,654	\$ 43,423,701

See accompanying Notes to Consolidated Financial Statements.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 5,081,134	\$ 8,259,479
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Cumulative Effect of Change in Accounting Principle	-	(1,064,652)
Value of Donated Land & Other Property	(375,570)	(140,793)
Value of Donated Securities	(114,734)	(298,930)
Value of Donated Life Insurance Policy	(112,123)	-
Discount on Below Market Loans	(89,462)	-
Loss on Revaluations, Donations and Sales of Land	1,443,730	223,000
Gain on Disposal of Property & Equipment	-	(139,877)
Depreciation	358,629	368,976
Net Realized and Unrealized Loss (Gain) on Investments	1,789,113	(1,274,431)
Forgiveness of Payroll Protection Program Loan	-	(4,184,266)
Change in Valuation of Annuity Obligations	(17,236)	30,713
Change in Valuation of Beneficial Interest in Trusts	(12,232)	(5,368)
Change in Valuation of Life Insurance	(49,566)	104,885
Change in Current Assets and Liabilities:		
Increase in Accounts Receivable	(1,236,491)	(2,719,992)
Decrease in Inventories	58,134	1,112,812
(Increase) Decrease in Pledges Receivable	(166,076)	145,681
(Increase) Decrease in Prepaid Expenses	(61,642)	562,677
Increase in Accounts Payable	1,085,499	1,346,051
Increase (Decrease) in Accrued Employee Benefits, Withholdings and Other Liabilities	718,539	(281,913)
(Decrease) Increase in Grant Advances	(1,182,016)	564,676
(Decrease) Increase in Deferred Revenues	(512,872)	1,887,689
Net Cash Provided by Operating Activities	6,604,758	4,496,417
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property and Equipment	(247,508)	(90,839)
Proceeds from Sale of Property and Equipment	-	210,653
Acquisition of Land Held for Resale	(3,338,100)	(2,270,622)
Proceeds from Sale of Land Held for Resale	500,000	812,000
Purchase of Investments	(4,557,982)	(8,415,145)
Proceeds from Sale of Investments	4,155,324	3,202,666
Net Cash Used by Investing Activities	(3,488,266)	(6,551,287)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Notes Payable	(1,396)	(8,378)
Proceeds from Borrowing	1,250,000	-
Payment on Annuity Obligation	(25,147)	(25,147)
Net Cash Provided (Used) by Financing Activities	1,223,457	(33,525)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,339,949	(2,088,395)
Cash and Cash Equivalents - Beginning of Year	12,949,996	15,038,391
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 17,289,945	\$ 12,949,996
NON-CASH TRANSACTIONS		
Cash Paid for Interest	\$ 397	\$ 50

See accompanying Notes to Consolidated Financial Statements.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program Services				Supporting Services			Total Expenses
	Habitat Projects and Programs	Public Awareness and Education	Government Relations	Chapter, Volunteer and Member Services	Total Program Services	Administrative Expenses	Fundraising Expenses	
Permanent Land Protection	\$ 17,683,141	\$ -	\$ -	\$ -	\$ 17,683,141	\$ -	\$ -	\$ 17,683,141
Nesting Cover	17,410,798	-	-	-	17,410,798	-	-	17,410,798
Food Plots	16,190,627	-	-	-	16,190,627	-	-	16,190,627
Woody Cover	692,000	-	-	-	692,000	-	-	692,000
Wetland Restoration	2,148,488	-	-	-	2,148,488	-	-	2,148,488
Equipment for Habitat	760,055	-	-	-	760,055	-	-	760,055
Other Habitat Projects	2,696,023	-	-	-	2,696,023	-	-	2,696,023
Youth Programs	46,521	2,864,904	-	-	2,911,425	-	-	2,911,425
Publications	-	718,368	-	-	718,368	-	-	718,368
Other Public Awareness and Education	-	825,711	50,136	-	875,847	-	-	875,847
Chapter Advertising and Promotion	-	-	-	-	-	-	942,414	942,414
Salaries and Wages	14,816,588	1,521,763	384,799	1,252,863	17,976,013	1,732,689	2,792,921	22,501,623
Payroll Tax Expense	1,069,085	103,505	26,396	89,354	1,288,340	117,979	200,913	1,607,232
Employee Benefits	1,420,414	105,175	16,346	101,337	1,643,272	106,627	212,552	1,962,451
Retirement Plan	663,887	71,137	22,302	56,076	813,402	122,879	143,511	1,079,792
Legal Fees	-	-	-	-	-	6,720	1,193	7,913
Consulting and Audit Fees	74,502	30,755	37,408	65,111	207,776	231,084	115,366	554,226
State Registration Fees	-	-	-	11,986	11,986	-	-	11,986
Insurance	262,495	78,093	4,279	68,621	413,488	31,521	45,224	490,233
Direct Mail Expenses	-	-	-	-	-	-	1,308,707	1,308,707
Printing and Supplies	314,422	104,552	49,264	214,646	682,884	109,574	468,891	1,261,349
Shipping and Postage	10,999	16,133	20	16,977	44,129	22,274	350,106	416,509
Occupancy	1,771	3,146	323	2,706	7,946	7,798	11,546	27,290
Telephone	24,114	12,388	557	21,045	58,104	36,320	31,815	126,239
Travel Expense	1,365,075	91,925	50,647	125,875	1,633,522	38,428	637,024	2,308,974
Meetings and Conferences	149,619	17,506	22,418	12,411	201,954	118,432	45,368	365,754
Depreciation	46,586	56,855	14,305	99,983	217,729	44,843	96,057	358,629
Equipment Rental and Maintenance	541,922	23	-	8,314	550,259	49,557	24,660	624,476
Interest Expense	-	-	-	-	-	7,589	-	7,589
Miscellaneous	268,415	97,838	6,402	82,049	454,704	69,440	193,333	717,477
Direct Benefit to Donors	-	-	-	-	-	-	15,213,563	15,213,563
Cost of Merchandise Sold	-	-	-	-	-	-	43,780	43,780
Total Expenses	\$ 78,657,547	\$ 6,719,777	\$ 685,602	\$ 2,229,354	\$ 88,292,280	\$ 2,853,754	\$ 22,878,944	\$ 114,024,978
Less Direct Benefit to Donors	-	-	-	-	-	-	(15,213,563)	(15,213,563)
Less Cost of Merchandise Sold	-	-	-	-	-	-	(43,780)	(43,780)
Total Net Expenses	\$ 78,657,547	\$ 6,719,777	\$ 685,602	\$ 2,229,354	\$ 88,292,280	\$ 2,853,754	\$ 7,621,601	\$ 98,767,635
	<u>79.64%</u>	<u>6.80%</u>	<u>0.69%</u>	<u>2.26%</u>	<u>89.39%</u>	<u>2.89%</u>	<u>7.72%</u>	<u>100.00%</u>

See accompanying Notes to Consolidated Financial Statements.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services				Supporting Services			
	Habitat Projects and Programs	Public Awareness and Education	Government Relations	Chapter, Volunteer and Member Services	Total Program Services	Administrative Expenses	Fundraising Expenses	Total Expenses
Permanent Land Protection	\$ 19,380,103	\$ -	\$ -	\$ -	\$ 19,380,103	\$ -	\$ -	\$ 19,380,103
Nesting Cover	18,037,752	-	-	-	18,037,752	-	-	18,037,752
Food Plots	13,729,589	-	-	-	13,729,589	-	-	13,729,589
Woody Cover	750,252	-	-	-	750,252	-	-	750,252
Wetland Restoration	1,176,920	-	-	-	1,176,920	-	-	1,176,920
Equipment for Habitat	535,678	-	-	-	535,678	-	-	535,678
Other Habitat Projects	1,758,604	-	-	-	1,758,604	-	-	1,758,604
Youth Programs	23,180	2,235,158	-	-	2,258,338	-	-	2,258,338
Publications	-	694,623	-	-	694,623	-	-	694,623
Other Public Awareness and Education	-	614,277	-	-	614,277	-	-	614,277
Chapter Advertising and Promotion	-	-	-	-	-	-	438,209	438,209
Salaries and Wages	12,558,731	1,237,433	338,955	1,355,497	15,490,616	1,538,363	2,751,215	19,780,194
Payroll Tax Expense	897,683	84,931	24,205	94,018	1,100,837	99,540	183,775	1,384,152
Employee Benefits	1,219,390	93,529	19,733	112,687	1,445,339	97,672	206,893	1,749,904
Retirement Plan	614,657	64,622	27,388	61,627	768,294	116,134	185,348	1,069,776
Legal Fees	-	-	-	-	-	5,483	9,558	15,041
Consulting and Audit Fees	20,278	-	30,720	57,561	108,559	158,234	199,797	466,590
State Registration Fees	-	-	-	11,829	11,829	846	-	12,675
Insurance	222,638	70,182	2,858	93,173	388,851	45,734	35,559	470,144
Direct Mail Expenses	-	-	-	-	-	-	1,100,811	1,100,811
Printing and Supplies	161,094	66,305	16,407	110,983	354,789	100,358	320,218	775,365
Shipping and Postage	27,634	4,564	129	322,751	355,078	19,720	209,281	584,079
Occupancy	1,964	5,832	153	5,254	13,203	11,338	34,559	59,100
Telephone	24,664	11,485	529	17,794	54,472	29,493	27,077	111,042
Travel Expense	635,214	27,101	3,048	65,779	731,142	9,411	477,821	1,218,374
Meetings and Conferences	20,236	1,824	40,225	289	62,574	6,171	18,135	86,880
Depreciation	60,802	61,248	15,601	78,238	215,889	34,779	118,308	368,976
Equipment Rental and Maintenance	402,334	100	5,900	8,420	416,754	47,694	28,019	492,467
Interest Expense	-	-	-	-	-	39,145	-	39,145
Miscellaneous	234,217	89,583	5,456	37,842	367,098	76,976	388,773	832,847
Direct Benefit to Donors	-	-	-	-	-	-	7,234,782	7,234,782
Cost of Merchandise Sold	-	-	-	-	-	-	426,492	426,492
Total Expenses	\$ 72,493,614	\$ 5,362,797	\$ 531,307	\$ 2,433,742	\$ 80,821,460	\$ 2,437,091	\$ 14,394,630	\$ 97,653,181
Less Direct Benefit to Donors	-	-	-	-	-	-	(7,234,782)	(7,234,782)
Less Cost of Merchandise Sold	-	-	-	-	-	-	(426,492)	(426,492)
Total Net Expenses	\$ 72,493,614	\$ 5,362,797	\$ 531,307	\$ 2,433,742	\$ 80,821,460	\$ 2,437,091	\$ 6,733,356	\$ 89,991,907
	<u>80.56%</u>	<u>5.96%</u>	<u>0.59%</u>	<u>2.70%</u>	<u>89.81%</u>	<u>2.71%</u>	<u>7.48%</u>	<u>100.00%</u>

See accompanying Notes to Consolidated Financial Statements.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Pheasants Forever, Inc. (the Organization) is a nonprofit organization which incorporated under the laws of the State of Minnesota in August 1982. The mission of the Organization is to conserve pheasants, quail, and other wildlife through habitat improvements, public access, education, and conservation advocacy.

The Organization's principal programs and supporting services consist of the following:

Habitat Projects and Programs - The Organization conducts various habitat management and protection projects designed to benefit pheasants, quail and other wildlife. These projects consist of permanent land protection through fee-title and easement projects, establishment of nesting cover, food plots and woody cover, restoration of wetlands, and various maintenance and management practices aimed at maximizing the benefits to wildlife species. The Organization also employs a team of over 300 wildlife biologists, range conservationists, precision agriculture specialists, and habitat specialists that provide technical assistance to private landowners interested in improving the wildlife benefits on their land as well as habitat management assistance to state and federal land management agencies.

Public Awareness and Education - The Organization provides education and informational resources to its members, volunteers, partners, and the public on the importance of wildlife habitat conservation to game and non-game wildlife species as well as the benefits to air and water quality, soil health, and agricultural sustainability. Through various education programs, the Organization conducts thousands of hands-on educational events for tens of thousands of adults and youth interested in habitat conservation, hunting, and shooting sports. The Organization also produces three publications for its members - *Pheasants Forever Journal*, *Quail Forever Journal*, and *Forever Outdoors* - as well provides various informational content to the public through its websites, podcast, social media channels, and newsletters.

Government Relations - The Organization engages in various federal and state legislative and administrative/regulatory matters impacting its mission.

Chapter, Volunteer and Member Services - The Organization provides training, support and services to its more than 760 chapters and thousands of volunteers that are critical to its conservation and education programs as well as support for its 135,000 members.

Administrative - Administrative activities and expenses consists of various core functions necessary to support the general organizational infrastructure, including finance, information technology, human resources, board governance, and general leadership.

Fundraising - Fundraising consists of activities and expenses necessary to secure financial resources for the Organization, including private philanthropic support, foundation support, and government funding. This category also includes activities related to membership development as well as support for chapter-based fundraising activities.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidation

The Organization has two single member limited liabilities companies in which certain business activities are conducted. The activities of these single member limited liabilities companies, Habitat Forever, LLC and The Forever Land Trust, LLC, have been consolidated into these statements, and all material financial transactions among the entities have been eliminated.

Financial Statement Presentation

The Organization follows the guidance provided in the Financial Accounting Standards Board (FASB) Accounting Standards Codification for Not-for-Profit Entities. In accordance with those standards, net assets and revenues, gains, and losses are classified based on donor-imposed restrictions. Contributions with donor restrictions received during the year, whose restrictions are released during the same year, are recorded as a change in net assets without donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Those resources over which the board of directors has discretionary control. Board designated amounts represent those revenues which the board has set aside for a particular purpose. At June 30, 2022 and 2021 the board designated net assets as operating reserves in the amounts \$3,359,663 and \$2,089,554, respectively. The Organization also had net assets without donor restrictions designated as endowments in the amounts of \$744,218 and \$866,182 for the Forever Shooting Sports Program and \$659,330 and \$1,181,200 for the Forever Stewardship Fund at June 30, 2022 and 2021, respectively.

Net Assets With Donor Restrictions – Consists of endowment gifts where donors have specified investment in perpetuity to generate income for a specified restricted or general purpose, and contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Organization, such as usage for specific programs. The donors of the net assets with donor restrictions to be held in perpetuity have permitted the Organization to use all or part of the income earned, including capital appreciation. At June 30, 2022 and 2021, net assets with donor restrictions consisted of time-restricted pledges receivable, purpose-restricted contributions and permanently endowed assets.

Recently Issued Accounting Pronouncements

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the leased payments. The accounting guidance for lessors is largely unchanged. For private companies, the Financial Accounting Standards Board (FASB) elected to delay the ASU's effective date for one year, resulting in an effective date for the annual and interim periods beginning after December 15, 2021 with early adoption permitted. It is to be adopted using a modified retrospective approach. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposit accounts, savings accounts and certificates of deposit with an original maturity of three months or less. Each chapter maintains these accounts at financial institutions in their local area unless they have combined the amounts in a cash management pool with other chapters. The national office maintains its demand deposit accounts, savings accounts and certificates of deposit at primarily one financial institution. At times, such investments may be in excess of FDIC insurance limits. The Organization does not believe it is exposed to any significant credit risk related to these accounts.

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity date of three months or less to be cash and cash equivalents.

Investments

Investments are recorded at fair market value. Interest, dividends, realized and unrealized gains and losses, and investment fees are included in investment income.

Accounts Receivable

Accounts receivable are stated at net realizable value. All accounts receivable are due on demand. The Organization accounts for uncollectible accounts by use of the reserve method. Receivables are assessed individually for collectability based on the surrounding facts and circumstances and management's past history. When all collection efforts have been exhausted, accounts are written off through a change in both the allowance and applicable receivable. The allowance for uncollectible accounts was \$137,280 and \$128,927 at June 30, 2022 and 2021, respectively.

Receivables from agencies of the United States government accounted for 39% and 40% of the total accounts receivable balances as of June 30, 2022 and 2021, respectively. Receivables from the States of Minnesota and Nebraska accounted for 20% and 8% of the total, respectively, as of June 30, 2022 and 16% and 9% of the total receivables as of June 30, 2021.

Pledges Receivable

Pledges that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the pledge is received.

The allowance for uncollectible pledges was \$419,030 and \$421,982 at June 30, 2022 and 2021, respectively. Conditional pledges are not included as support until such times as the conditions are substantially met.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Surrender Value of Life Insurance

The Organization is the owner and beneficiary of several life insurance policies that have been received as gifts from donors. At June 30, 2022 and 2021, the cash surrender value of those policies was \$380,931 and \$264,604, respectively. In 2013, the Organization purchased life insurance policies on key members of management as part of a split-dollar life insurance program. At June 30, 2022 and 2021, the cash surrender value of those policies was \$408,600 and \$363,239, respectively.

Property and Equipment

Property and equipment are generally carried at cost less accumulated depreciation. Depreciation is computed using the straight-line method. Habitat equipment purchased by local chapters is charged to expense at the time of purchase, as this equipment is either donated to local government agencies or made widely available for use by individuals at minimal or no charge.

Land Held for Resale and Conservation

The Organization routinely acquires land either by purchase or donation. The land is recorded at fair market value and land expected to be sold within one year is recorded as a current asset. At June 30, 2022 and 2021, the Organization held title to land with a value of \$12,004,696 and \$10,259,756, respectively. Of those amounts, \$3,299,195 and \$5,042,925 were recorded as short term as of June 30, 2022 and 2021, respectively.

Fair Value Measurement

The Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to the quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the assets and liabilities, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are observable inputs for the asset or liability, which are typically based on the Organization's own assumptions, as there is little, if any, related market activity.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)

Subsequent to initial recognition, the Organization may re-measure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying value to their fair value.

Revenue Recognition

Effective July 1, 2020, the Organization adopted Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606) and the related amendments with the same effective date (together, ASC 606) as prescribed by the Financial Accounting Standards Board (FASB) using the modified retrospective method of adoption. The core principle of ASC 606 is that an entity recognizes revenue related to the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of ASC 606 impacted the Organization's revenue recognition, financial position, results of operations and cash flows related to membership dues. The cumulative-effect adjustment resulted in a reduction of net assets without donor restrictions as of July 1, 2020 in the amount of \$1,064,652. This represented the unearned portion of membership dues revenue as of that date.

Contribution and non-government grant revenue - Contributions and non-government grants are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions and grants that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization's promises to give outstanding as of June 30, 2022 and 2021 are presented as Pledges Receivable, both current and long-term, in the consolidated balance sheet. The Organization has also received conditional contributions related to non-government grants and pledges of \$490,947 and \$830,884, including grant advances, that have not been recognized at June 30, 2022 and 2021, respectively because qualifying expenditures have not yet been incurred.

Contributed Goods and Services - Donated goods and services are valued at their fair market value and are presented as revenue and offsetting program costs or land held for resale and conservation. Contributions of services are recognized for services that create or enhance nonfinancial assets, require specialized skills and are provided by individuals possessing those skills, and would have to be purchased if not provided by donation. Contributed services and promises to give services that do not meet these criteria are not recognized. The Organization receives a substantial amount of services donated by volunteers which do not meet the above criteria for recognition in the financial statements.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Government Grants - Government grant revenue is derived from cost-reimbursable contracts and grants, primarily from the United States Departments of Interior and Agriculture as well as various States. These grants are conditional upon performance requirements and/or the incurrence of allowable qualifying expenses. The Organization has made the determination, based on the review of the Organization's grant portfolio, that nearly all of the government grants are nonreciprocal transactions in which the two parties do not receive commensurate value. As such, these grants are treated as conditional contributions in accordance with Topic 958, *Not-for-Profit Entities*. Revenue is recognized as donor restricted revenue once the conditions are met, subject to the scope of work within the grant. These restrictions are simultaneously released from restriction as the revenue is recognized and is reported as an increase in net assets without donor restrictions. Expenditures under government grants are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowed under these grants, the Organization will record such disallowances at the time the final assessment is made.

Amounts received prior to incurring qualifying expenditures are reported as grant advances in the balance sheet. As eligible expenditures are incurred, revenue is recognized.

The Organization has been awarded conditional contributions related to government grants of \$110,224,168 and \$96,554,994, including grant advances, that have not been recognized at June 30, 2022 and 2021, respectively because qualifying expenditures have not yet been incurred.

Banquet and Event Revenue - One of the Organization's principal revenue sources are banquets and events sponsored by the local chapters. The majority of revenue associated with these events is recognized at the time it is received under the process described above for Contributions and non-government grant revenue.

The Organization hosts an annual convention and trade show. Revenue associated with exhibitor booths, sponsorships and admission fees are treated as exchange transactions and are recognized at the time the event is held. Total revenue recognized from these revenue sources was \$1,016,048 for the year ended June 30, 2022. The event was not conducted in 2021 due to the COVID-19 pandemic. Revenue received in advance of the event is recorded as deferred revenues.

Membership Dues - Membership dues include a contribution component and an exchange component associated with specific benefits that the member is entitled to receive over time. The membership contribution component is recognized in full at the time of receipt. The exchange portion of the membership is recognized over time as the specific benefits of membership are provided. The Organization recognized membership dues revenue associated with the exchange portion of the membership transaction of \$1,135,243 and 1,076,913 for the years ended June 30, 2022 and 2021, respectively. Deferred revenue associated with the exchange portion of membership transaction was \$1,246,823 and \$1,055,453 at June 30, 2022 and 2021, respectively.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Program Service Revenue – Most of the Organization’s programs and services are offered at no charge to participants. For certain programs, the Organization requires payment for goods and services provided which consist primarily of payments for habitat improvement supplies and services completed by the Organization, and registration fees for certain events. Revenues generated from these programs are considered exchange transactions and the majority of the revenue is recognized at the time the sale is completed.

Advertising Revenue – The Organization sells advertising in its various print and digital publications. Advertising is considered an exchange transaction with revenue recognized upon distribution of the publications. Unrecognized advertising revenue is recorded as deferred revenues.

Deferred Revenues - The Organization records deferred revenues related to future events and unearned contract revenue.

Conservation Easements

A conservation easement is a voluntary, legally enforceable agreement between a landowner and another entity in which the landowner gives up certain rights to use or modify their land subject to the terms of the easement. The entity agrees to monitor and enforce conditions within the agreement throughout the life of the easement (usually in perpetuity). In certain cases, the Organization acquires, or accepts as a donation, easements that provide conservation benefits consistent with the Organization’s mission. Conservation easements that are purchased are recorded as program expense in the year acquired. Contributed easements are recorded as contribution income and program expense based on appraisal or other estimates of value. In February 2021, the Organization accepted a transfer from an unrelated land trust of 58 conservation easements covering 5,600 acres. No contribution income or program expense was recorded related to this transfer as the easements were already in place prior to acceptance by the Organization. The transfer included a \$5.5 million cash gift to the Organization’s Forever Stewardship Fund. At June 30, 2022, the Organization held 71 conservation easements covering a total of 12,965 acres and at June 30, 2021, the Organization held 70 conservation easements covering 12,831 acres.

Advertising Costs

Advertising costs are charged to expense when the advertising first occurs.

Functional Allocation of Expense

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the statement of activities and statement of functional expenses. Salaries and related expenses are allocated to program and supporting services based on actual time spent by employees. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting service, are allocated based on the best estimates of management.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. 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 vary from the estimates that were used.

Canadian Affiliate

The Organization is associated with a separate tax-exempt corporation, Pheasants Forever Canada, Inc. Activities between the two organizations relate primarily to the Canadian members receiving the Organization's magazine.

Reclassifications

Certain reclassifications have been made to the 2021 financial statements to conform with the 2022 financial statement presentation.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 15, 2022, the date the consolidated financial statements were available to be issued.

NOTE 2 TAX EXEMPT STATUS

The Organization has been granted exempt status relative to federal and state corporate income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state codes. It has been classified as an organization that is not a private foundation. Therefore, charitable contributions are tax deductible. The Organization follows the guidance outlined in the Income Tax Topic of FASB Accounting Standards Codification. The Organization is subject to unrelated business income tax on advertising revenues and merchandise sales.

The Organization projects no income tax liability for the year ended June 30, 2022. The two single member limited liability companies owned by the Organization are disregarded entities for income tax purposes and follow the same tax treatment as the Organization.

The Organization's filings with the Internal Revenue Service are subject to audit. The information returns for the past three and one-half years are open to examination. Management has evaluated its tax positions and has concluded that they do not result in anything that would require either recording or disclosure in the financial statements based on the criteria set forth in Accounting Standards Codification (ASC) 740.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 3 INVESTMENTS

Investments are recorded at fair market value. Investments consist of the following:

	<u>2022</u>	<u>2021</u>
Short-Term Investments:		
Cash & Cash Equivalents - Pending Investment	\$ 36,706	\$ 101,758
Certificates of Deposit	614,874	607,126
Corporate Bonds, Fixed Income & Preferreds	1,014,058	3,107,598
Bond Mutual Funds	5,725,585	4,010,710
Corporate Stock	44,111	25,611
Total Short-Term Investments	<u>\$ 7,435,334</u>	<u>\$ 7,852,803</u>
Endowment and Similar Fund Investments:		
Cash & Cash Equivalents - Pending Investment	\$ 520,453	\$ 815,947
Bond Mutual Funds	811,118	855,281
Alternative Investments	474,206	534,536
Corporate Bonds, Fixed Income & Preferreds	73,466	73,939
Corporate Stock	6,578,562	7,032,354
Total Endowment Investments	<u>\$ 8,457,805</u>	<u>\$ 9,312,057</u>

Endowment and Similar Fund Investments include The Forever Stewardship Fund investments.

Investment gains (losses), including realized and unrealized gains (losses) from changes in fair value, are reported as revenue. The total recorded gains (losses) on investments consist of the following:

	<u>2022</u>	<u>2021</u>
Interest and Dividends	\$ 428,030	\$ 247,083
Net Realized and Unrealized Gain (Loss) on Investments	(1,656,520)	1,117,969
Fees	(160,511)	(149,072)
Total	<u>\$ (1,389,001)</u>	<u>\$ 1,215,980</u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2022</u>	<u>2021</u>	<u>Estimated Useful Lives</u>
Land	\$ 410,000	\$ 410,000	
Building and Improvements	1,126,442	1,127,715	30 Years
Habitat Equipment	307,510	1,365,493	5 Years
Office Equipment	2,512,599	3,165,186	3 - 5 Years
Vehicle	41,888	41,888	3 Years
	<u>\$ 4,398,439</u>	<u>\$ 6,110,282</u>	

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 5 PLEDGES RECEIVABLE

Pledges receivable consists of the following:

	2022	2021
Amounts Due in:		
Less Than One Year	\$ 1,241,691	\$ 1,126,529
One to Five Years	1,511,000	1,406,323
Total	2,752,691	2,532,852
Unamortized Discount - 3.01% and 0.87%	(79,058)	(22,343)
Allowance for Uncollectible Accounts	(419,030)	(421,982)
Net Pledge Receivable	2,254,603	2,088,527
Less: Current Portion	1,241,691	1,126,529
Pledges Receivable - Long-Term	\$ 1,012,912	\$ 961,998

NOTE 6 BENEFICIAL INTEREST IN TRUSTS

During 2008, the Organization was notified that it is the sole beneficiary of an irrevocable trust. The assets held in the trust consist principally of real estate, which is subject to a mortgage. The trust specifies that upon the death of the grantor's son, who serves as the trustee, the trust will terminate, and all of the assets will be transferred to the Organization. The Organization's interest in the trust has been valued at the current value of the real estate, less the outstanding mortgage balance. At June 30, 2022 and 2021, the estimated value of the real estate was \$1,191,086 and \$1,191,880, respectively. The associated mortgage balance was estimated to be \$190,255 and \$193,133, respectively.

In 2015, the Organization was notified that it is the sole beneficiary of a charitable remainder unitrust. The trust specifies that at the end of the unitrust period of 12 years the Organization will receive the net assets of the trust. During the unitrust period the grantors shall receive an annual payment equal to 17.4% of the fair market value of the unitrust assets determined at the beginning of the year. The assets of the trust consist primarily of investment assets managed by the trustee, Ameriprise National Trust Bank of Minneapolis. The value of the unitrust assets upon creation of the trust on March 31, 2014 was \$629,748. The value of the trust assets as of December 31, 2021, the latest valuation available to the Organization, was \$204,365. The Organization projects that the value of the remaining assets after the unitrust period to be \$104,569. This discounted value as of June 30, 2022 and 2021 was \$93,598 and \$84,450, respectively.

During 2019, the Organization became aware that it is a 10% beneficiary of a charitable remainder trust. The trust assets approximated \$1,160,000 in October 2018 as per the notice the Organization received from the Trust attorney. During their lifetimes the grantors shall receive a distribution annually equal to 5% of the beginning of the calendar year market value of the trust assets. The Organization projects that the value of the remaining assets upon the death of the last surviving grantor to be \$658,459. The Organization's share is projected to be \$65,846, which has a discounted value of \$34,600 as of June 30, 2022. The discounted value was \$33,600 as of June 30, 2021.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 7 CONTRIBUTIONS OF NONFINANCIAL ASSETS

The Organization routinely receives contributions in forms other than cash or other financial assets. These contributions are recorded in the Statement of Activities under Contributions – Nonfinancial Assets with an off-setting expense or asset of the contributed items. Contributions of nonfinancial assets for the years ended June 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Food Plots for Wildlife	\$ 15,783,545	\$ 13,320,026
Bargain Sales of Land	554,213	738,757
Land Donations	350,570	140,793
Conservation Easements	62,000	-
Below Market Loans	89,462	-
Vehicle and Vehicle Usage	51,000	43,000
All-Terain Vehicles	48,300	48,195
Habitat Equipment	94,907	68,285
Other	16,000	7,400
Total	<u>\$ 17,049,997</u>	<u>\$ 14,366,456</u>

Donated food plots consist primarily of donated seed and the donated use of land for conservation program purposes. The fair market value of these donations, which has been determined using data published by the United States Department of Agriculture’s Economic Research Service, has been recorded in the financial statements as contribution income and food plot expense.

The Organization periodically receives fee title donations of land as well as partial donations in the form of purchases by the Organization at less than the fair market value of the property. The Organization generally uses independent appraisals to estimate the value of these contributions. If an appraisal is not feasible or warranted based on the value of the land, other methods of estimating the value such as property tax valuations may be used.

The value of conservation easements is established using independent appraisals. As described in Note 1, donated conservation easements are monitored and enforced in perpetuity to benefit conservation consistent with the Organization’s mission. Full or partial fee title land donations received are generally maintained by the Organization to provide long-term wildlife habitat benefits. In situations where the Organization receives fee title land donations that do not provide adequate wildlife habitat benefits, the Organization may monetize those donations and use the proceeds for more suitable purposes.

Contributions are recognized for the value of loans bearing interest at below market rates based on the difference between the organization’s incremental borrowing rate and the stated rates of the loans.

All other donated items are recognized at their fair market value based on the current sales price of those items. Habitat equipment donations received are used by the Organization to benefit its habitat programs. Other donations of nonfinancial assets received by the Organization are generally monetized and proceeds are used for more suitable purposes.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 8 LINE OF CREDIT

The Organization maintains a \$2,500,000 revolving line of credit agreement with Wells Fargo Bank, which expires on February 5, 2023. The current agreement specifies an interest rate on outstanding balances equal to the greater of the indexed rate, defined as the lender's Prime Rate, minus 0.25%, or 3.00%. The rate on outstanding borrowings at June 30, 2022 and 2021 was 3.75% and 3.25%, respectively. There were no outstanding balances at June 30, 2022 and 2021.

NOTE 9 LONG-TERM DEBT

Long-term debt consists of the following:

<u>Description</u>	<u>2022</u>	<u>2021</u>
Note Payable - Wildlife Habitat Conservation Society of McLeod County. Original loan of \$750,000 is dated May 5, 2022 and matures the sooner of May 1, 2027 or the date proceeds are received from the sale of the property purchased with the loan proceeds, which is estimated to be May 2024. The note has no stated interest, but interest has been imputed at 3.75% using an estimated term of 2 years. The note is unsecured.	\$ 696,323	\$ -
Note Payable - Iowa Natural Heritage Foundation. Original loan of \$500,000 is dated May 5, 2022 and matures the sooner of April 1, 2027 or the date proceeds are received from the sale of the property purchased with the loan proceeds, which is estimated to be May 2024. The note has no stated interest, but interest has been imputed at 3.75% using an estimated term of 2 years. The note is unsecured.	464,215	-
Note Payable - Wells Fargo Equipment Finance, Inc; 60 equal monthly payments of principal and interest beginning October 2016 and continuing through September 2021. There is no stated rate of interest. Secured by vehicle.	-	1,396
	<u>1,160,538</u>	<u>1,396</u>
Less: Current Maturities of Long-Term Debt	-	1,396
Long-Term Debt, Net of Current Maturities	<u>\$ 1,160,538</u>	<u>\$ -</u>

Scheduled maturities on Long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ -
2025	-
2026	-
2027	1,160,538
	<u>\$ 1,160,538</u>

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 10 FAIR VALUE MEASUREMENT

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization measures fair value refer to Note 1 – Nature of Activities and Significant Accounting Policies.

The fair value hierarchy for assets and liabilities measured at fair value on a recurring basis at June 30, 2022 and 2021 consist of the following:

	2022			Total
	Level 1	Level 2	Level 3	
Corporate Bonds & Fixed Income	\$ 1,087,524	\$ -	\$ -	\$ 1,087,524
Bond Mutual Funds	6,536,703	-	-	6,536,703
Alternative Investments	474,206	-	-	474,206
Corporate Stock	6,622,673	-	-	6,622,673
Beneficial Interest in Trusts	-	-	1,129,029	1,129,029
Total	\$ 14,721,106	\$ -	\$ 1,129,029	\$ 15,850,135

	2021			Total
	Level 1	Level 2	Level 3	
Corporate Bonds & Fixed Income	\$ 3,181,537	\$ -	\$ -	\$ 3,181,537
Bond Mutual Funds	4,865,991	-	-	4,865,991
Alternative Investments	534,536	-	-	534,536
Corporate Stock	7,057,965	-	-	7,057,965
Beneficial Interest in Trust	-	-	1,116,797	1,116,797
Total	\$ 15,640,029	\$ -	\$ 1,116,797	\$ 16,756,826

Directly invested bank CDs are not subject to fair value measurement disclosures.

Changes in valuation of Level 3 financial instruments are as follows for the years ended June 30:

	2022	2021
Beginning Balance	\$ 1,116,797	\$ 1,111,429
Change in Fair Value	12,232	5,368
Ending Balance	\$ 1,129,029	\$ 1,116,797

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2022 and 2021, net assets with donor restrictions are available for the following purposes:

	<u>2022</u>	<u>2021</u>
In Perpetuity:		
Habitat Education Program	\$ 68,503	\$ 68,503
Forever Shooting Sports Program	252,260	252,260
Wildlife Conservation Experience	400,000	400,000
Total in Perpetuity	<u>\$ 720,763</u>	<u>\$ 720,763</u>
Restriction for Time:		
Time Restricted Pledges	2,254,603	2,060,645
Below Market Loans	89,462	-
Restricted Land Donations	3,821,419	3,670,849
Beneficial Interest in Trusts	1,129,029	1,116,197
Restriction for Purpose:		
Youth and Conservation Education Programs	709,728	706,991
Landowner Technical Assistance Program	303,184	324,801
Land Acquisition and Other Habitat Projects	2,579,765	1,890,258
The Forever Stewardship Fund	6,258,294	6,338,150
Total Restricted by Time or Purpose	<u>17,145,484</u>	<u>16,107,891</u>
Total Net Assets with Donor Restrictions	<u>\$ 17,866,247</u>	<u>\$ 16,828,654</u>

Net assets released from restrictions consist of the following:

	<u>2022</u>	<u>2021</u>
Collection of Pledges	\$ 756,511	\$ 1,237,976
Satisfaction of Program Restrictions	681,282	355,408
Total Net Assets Released from Restrictions	<u>\$ 1,437,793</u>	<u>\$ 1,593,384</u>

The Forever Stewardship Fund consists of contributions restricted by the donor for use in covering expected and unexpected costs associated with the Organization's permanent land and conservation easement holdings. This includes expenses such as property taxes, insurance, and maintenance associated with conservation land owned by the Organization in fee title as well as costs associated with monitoring and enforcing conservation easements. In addition, the Organization periodically designates unrestricted funds to The Forever Stewardship Fund, which are subject to the same provisions as the restricted funds. The Forever Stewardship Funds are managed with the Organization's Endowment and Similar Funds and all investment earnings on The Forever Stewardship Fund are allocated between restricted and designated funds based on the donors' intentions and are available to cover eligible expenses. The Forever Stewardship Fund balances as of June 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
The Forever Stewardship Fund - With Donor Restrictions	\$ 6,258,294	\$ 6,338,150
The Forever Stewardship Fund - Designated	659,330	1,181,200
Total Forever Stewardship Funds	<u>\$ 6,917,624</u>	<u>\$ 7,519,350</u>

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 12 ENDOWMENT AND SIMILAR FUNDS

The Organization's endowments and similar funds consist of three funds established for a variety of purposes. The Endowments and Similar Funds may include both donor-restricted endowment funds as well as funds designated by the board of directors to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence and nature of donor-imposed restrictions.

Interpretation of Relevant Law

In August 2008, the Codification on Endowments of Not-For-Profit Organizations: Net Asset Classification of Funds Subject to the Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Fund was issued. The Codification addresses accounting issues related to guidelines in the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), which was adopted by the National Conferences of Commissioners on Uniform State Laws in July 2006. The Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original donor-restricted endowment gifts as of the date of the gift absent explicit donor stipulations to the contrary. As a result of this stipulation, the Organization classifies as net assets with donor restrictions to be held in perpetuity (a) the original value of cash gifts donated to the permanent endowment and (b) the discounted value of future gifts promised to the permanent endowment, net of allowances for uncollectible pledges. The remaining portion of donor-restricted endowment funds not classified in net assets with donor restrictions to be held in perpetuity is classified as net assets with donor restrictions (that are not to be held in perpetuity) until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

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

Spending Policy, Objectives and Strategies

The Organization has adopted investment and spending policies for endowment fund cash contributions that attempt to provide a predictable stream of funding to programs, while maintaining purchasing power. The annual distribution is determined annually by the Board of Directors and is expressed as an amount not to exceed 5% of the previous 12 quarterly average investment market values each December 31. All earnings from these funds are reflected as net assets with donor restrictions until appropriated for program expenditures.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 12 ENDOWMENT AND SIMILAR FUNDS (CONTINUED)

Endowment and similar fund's net asset composition by fund type at June 30, 2022 and 2021 are as follows:

	2022			
	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions - Held in Perpetuity	Total
<u>Donor Restricted Endowments and Similar Funds:</u>				
Habitat Education Program	\$ -	\$ 4,450	\$ 68,503	\$ 72,953
Forever Shooting Sports Program	-	26,240	252,260	278,500
Wildlife Conservation Experience	-	44,511	400,000	444,511
Total Donor Restricted	<u>\$ -</u>	<u>\$ 75,201</u>	<u>\$ 720,763</u>	<u>\$ 795,964</u>
<u>Designated Endowment and Similar Funds:</u>				
Forever Shooting Sports Program	<u>\$ 744,218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 744,218</u>
2021				
	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions - Held in Perpetuity	Total
<u>Donor Restricted Endowments and Similar Funds:</u>				
Habitat Education Program	\$ -	\$ 16,287	\$ 68,503	\$ 84,790
Forever Shooting Sports Program	-	71,881	252,260	324,141
Wildlife Conservation Experience	-	117,594	400,000	517,594
Total Donor Restricted	<u>\$ -</u>	<u>\$ 205,762</u>	<u>\$ 720,763</u>	<u>\$ 926,525</u>
<u>Designated Endowment and Similar Funds:</u>				
Forever Shooting Sports Program	<u>\$ 866,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 866,182</u>

Changes in endowment and similar funds net assets for the years ended June 30, 2022 and 2021 are as follows:

	2022			
	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions - Held in Perpetuity	Total
Endowment and Similar Funds Net Assets - July 1, 2021	\$ 866,182	\$ 205,762	\$ 720,763	\$ 1,792,707
Investment Return	(83,509)	(89,311)	-	(172,820)
Contributions & Designations	-	-	-	-
Appropriation of Endowment	-	-	-	-
Assets for Expenditure	(38,455)	(41,250)	-	(79,705)
Endowment and Similar Funds Net Assets - June 30, 2022	<u>\$ 744,218</u>	<u>\$ 75,201</u>	<u>\$ 720,763</u>	<u>\$ 1,540,182</u>
2021				
	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions - Held in Perpetuity	Total
Endowment and Similar Funds Net Assets - July 1, 2020	\$ 712,206	\$ 39,902	\$ 720,763	\$ 1,472,871
Investment Return	193,390	208,452	-	401,842
Contributions & Designations	-	-	-	-
Appropriation of Endowment	-	-	-	-
Assets for Expenditure	(39,414)	(42,592)	-	(82,006)
Endowment and Similar Funds Net Assets - June 30, 2021	<u>\$ 866,182</u>	<u>\$ 205,762</u>	<u>\$ 720,763</u>	<u>\$ 1,792,707</u>

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 13 LEASES

The Organization leases various equipment and vehicles under operating leases that expire between 2023 and 2025. The following is a schedule of future minimum lease payments due through the terms of these leases:

<u>Year Ending June 30,</u>	Office Equipment	Equipment and Vehicles	Total
2023	\$ 6,828	\$ 370,422	\$ 377,250
2024	3,231	258,384	261,615
2025	-	120,920	120,920
Total	<u>\$ 10,059</u>	<u>\$ 749,726</u>	<u>\$ 759,785</u>

Office equipment lease expense was \$7,905 and \$7,308 for the years ended June 30, 2022 and 2021, respectively. Equipment and vehicle lease expense was \$342,484 and \$290,703 in the years ended June 30, 2022 and 2021, respectively.

In 2006 the Organization acquired the land and building which serves as its national headquarters at a cost of \$1,377,625. At June 30, 2022 and 2021, the building had accumulated depreciation of \$499,940 and \$467,685, respectively. The Organization leases a portion of the building to two unrelated tenants.

One tenant leases approximately 29% of the building under a lease that is scheduled to expire on December 31, 2024, and contains an option to extend the lease for an additional 5-year period. The second tenant occupies approximately 40% of the building under a lease that is scheduled to expire on August 31, 2025. That tenant may extend their lease for up to 6 additional 2-year periods, and also has a first right of offer to purchase the building should the Organization choose to market the building for sale at any time during their lease. The lease agreements provide that the lessees are responsible for the base rent, plus their share of real estate taxes, maintenance and insurance. The following is a schedule of the future minimum lease payments (base rent) due to be received through the terms of these leases, excluding option periods:

<u>Year Ending June 30,</u>	Amount
2023	\$ 148,850
2024	152,128
2025	125,348
2026	15,968
Total	<u>\$ 442,294</u>

For the years ended June 30, 2022 and 2021, the Organization recorded rental income associated with these leases of \$198,886 and \$168,370, respectively. For the years ended June 30, 2022 and 2021, the Organization had associated expenses related to an allocable portion of real estate taxes and maintenance of \$34,256 and \$31,021, respectively.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 14 RETIREMENT PLAN

The Organization maintains a qualified retirement plan under IRC Section 401(k). The plan covers all employees that meet the minimum age, job classification, and length of service requirements. Employees can make voluntary contributions to the plan. Vesting is immediate for these employee contributions. The plan also provides for matching contributions and discretionary employer contributions, which are determined annually by the Organization's Board of Directors. These contributions are subject to a vesting schedule. Total employer contributions were \$993,104 and \$886,941 for the years ended June 30, 2022 and 2021, respectively.

NOTE 15 ANNUITY AGREEMENT

The Organization has a charitable gift annuity agreement, which provides for an annual payment to the annuitant for the duration of their life. An annuity liability has been recorded based on the present value of the future expected payments calculated using a discount rate of 4% and applicable life expectancy tables. A contribution has been recognized for the difference between the fair market value of the assets received and the annuity liability. Annual revaluations of the annuity liability are recorded as changes in net assets without donor restrictions.

NOTE 16 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise of the following:

	2022	2021
Cash	\$ 17,289,945	\$ 12,949,996
Investments - Short Term	7,435,334	7,852,803
Accounts Receivable	12,423,612	11,187,121
Pledges Receivable	1,241,691	1,126,529
Total financial assets available	<u>\$ 38,390,582</u>	<u>\$ 33,116,449</u>
Less amounts restricted by donor with purpose restrictions	(3,592,677)	(2,922,050)
Less board designated operating reserve	<u>(3,359,663)</u>	<u>(2,089,554)</u>
Financial assets available to meet cash flow needs for general expenditures within one year	<u><u>\$ 31,438,242</u></u>	<u><u>\$ 28,104,845</u></u>

The Organization's endowment and similar funds consist of donor restricted endowments and funds designated by the board as restricted. Income from donor restricted endowments is restricted for specific purposes. Donor restricted endowment funds are not available for general expenditures.

The board designated endowment in the amount of \$744,218 is subject to an annual spending rate of 5%. The board designated Forever Stewardship Fund in the amount of \$659,330 is not subject to an annual spending plan. Although the Organization does not intend to spend from these board designated funds, other than amounts approved and appropriated per the spending policy and the Forever Stewardship Fund guidelines, these amounts could be made available if necessary.

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 16 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

As part of the Organization's liquidity management plan, cash in excess of monthly requirements is invested in short-term investments, including mutual funds, and money market accounts. The Organization also maintains a \$2,500,000 line of credit with a bank that can be drawn upon as needed to manage cash flow needs.

NOTE 17 CONTINGENCY

During the ordinary course of business, the Organization can encounter various claims and lawsuits. The Organization currently has one outstanding lawsuit against it that was filed during the year ended June 30, 2022. While the final outcome of this claim cannot be determined at this time, management believes that any liability resulting from the claim will not have a material effect on the Organization's financial statements.

**INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTARY INFORMATION**

Board of Directors
Pheasants Forever, Inc. and Subsidiaries
St. Paul, Minnesota

We have audited the consolidated financial statements of Pheasants Forever, Inc. and Subsidiaries as of and for the years ended June 30, 2022 and 2021 and our report thereon dated December 15, 2022, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 through 3. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet and consolidating schedule of activities, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Boyum & Barenscheer PLLP

Boyum & Barenscheer PLLP

Minneapolis, Minnesota
December 15, 2022

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET - UNAUDITED
JUNE 30, 2022

	Pheasants Forever, Inc.	Habitat Forever, LLC	The Forever Land Trust, LLC	Eliminations	Total
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalent	\$ 17,251,989	\$ 10,000	\$ 27,956	\$ -	\$ 17,289,945
Investments	8,026,280	-	-	(590,946)	7,435,334
Accounts Receivable (Net)	12,738,360	-	-	(314,748)	12,423,612
Pledges Receivable (Net)	1,241,691	-	-	-	1,241,691
Inventories	11,571	-	-	-	11,571
Land Held for Resale & Conservation	3,299,195	-	-	-	3,299,195
Prepaid Expenses & Other Assets	933,706	-	-	-	933,706
Total Current Assets	<u>43,502,792</u>	<u>10,000</u>	<u>27,956</u>	<u>(905,694)</u>	<u>42,635,054</u>
PROPERTY AND EQUIPMENT	4,398,439	-	-	-	4,398,439
Less: Accumulated Depreciation	2,586,661	-	-	-	2,586,661
Total Property and Equipment	<u>1,811,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,811,778</u>
OTHER ASSETS					
Investments - Endowments and Similar Funds	8,457,805	-	-	-	8,457,805
Land Held for Resale & Conservation	8,484,814	-	220,687	-	8,705,501
Pledges Receivable - Long Term	1,012,912	-	-	-	1,012,912
Beneficial Interest in Trust	1,129,029	-	-	-	1,129,029
Cash Surrender Value of Life Insurance	789,531	-	-	-	789,531
Total Other Assets	<u>19,874,091</u>	<u>-</u>	<u>220,687</u>	<u>-</u>	<u>20,094,778</u>
Total Assets	<u>\$ 65,188,661</u>	<u>\$ 10,000</u>	<u>\$ 248,643</u>	<u>\$ (905,694)</u>	<u>\$ 64,541,610</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable	\$ 6,271,273	\$ 314,748	\$ -	\$ (314,748)	\$ 6,271,273
Accrued Employee Benefits, Withholdings and Other Liabilities	2,437,772	3,042	-	-	2,440,814
Grant Advances	4,423,939	-	-	-	4,423,939
Deferred Revenues	1,624,223	-	-	-	1,624,223
Liability Under Annuity Agreement	20,508	-	-	-	20,508
Total Current Liabilities	<u>14,777,715</u>	<u>317,790</u>	<u>-</u>	<u>(314,748)</u>	<u>14,780,757</u>
LONG-TERM LIABILITIES					
Liability Under Annuity Agreement	95,480	-	-	-	95,480
Long-Term Debt, Net of Current Maturities	1,160,538	-	-	-	1,160,538
Total Long-Term Liabilities	<u>1,256,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,256,018</u>
Total Liabilities	16,033,733	317,790	-	(314,748)	16,036,775
NET ASSETS					
Without Donor Restrictions	31,288,681	(307,790)	248,643	(590,946)	30,638,588
With Donor Restrictions	17,866,247	-	-	-	17,866,247
Total Net Assets	<u>49,154,928</u>	<u>(307,790)</u>	<u>248,643</u>	<u>(590,946)</u>	<u>48,504,835</u>
Total Liabilities and Net Assets	<u>\$ 65,188,661</u>	<u>\$ 10,000</u>	<u>\$ 248,643</u>	<u>\$ (905,694)</u>	<u>\$ 64,541,610</u>

PHEASANTS FOREVER, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF ACTIVITIES - UNAUDITED
YEAR ENDED JUNE 30, 2022

	Pheasants Forever, Inc.	Habitat Forever, LLC	The Forever Land Trust, LLC	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS					
SUPPORT AND REVENUE					
Support:					
Contributions - Cash & Other Financial Assets	\$ 8,887,941	\$ 4,433	\$ -	\$ -	\$ 8,892,374
Contributions - Nonfinancial Assets	16,809,965	-	-	-	16,809,965
Government Program Grants	46,771,567	2,136,434	-	-	48,908,001
Banquet and Event Revenues	26,223,560	-	-	-	26,223,560
Costs of Direct Benefit to Donors	(15,213,563)	-	-	-	(15,213,563)
Net Support from Banquets and Events	<u>11,009,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,009,997</u>
Membership Dues	5,888,006	-	-	-	5,888,006
Total Support	<u>89,367,476</u>	<u>2,140,867</u>	<u>-</u>	<u>-</u>	<u>91,508,343</u>
Revenue:					
Sales of Merchandise	98,048	-	-	-	98,048
Cost of Merchandise Sold	(43,780)	-	-	-	(43,780)
Gross Profit on Merchandise Sales	<u>54,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,268</u>
Program Service Revenue	8,923,514	7,563	-	-	8,931,077
Advertising Revenues	1,293,596	-	-	-	1,293,596
Investment Income	(1,149,891)	-	3	-	(1,149,888)
Other Income	773,780	69,187	-	(106,980)	735,987
Total Revenue	<u>9,895,267</u>	<u>76,750</u>	<u>3</u>	<u>(106,980)</u>	<u>9,865,040</u>
Net Assets Released from Restrictions	<u>1,437,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,437,793</u>
Total Support and Revenue	<u>100,700,536</u>	<u>2,217,617</u>	<u>3</u>	<u>(106,980)</u>	<u>102,811,176</u>
EXPENSES					
Program Services	86,161,865	2,126,790	3,625	-	88,292,280
Supporting Services:					
Administrative Expenses	2,851,396	109,338	-	(106,980)	2,853,754
Fundraising Expenses	7,621,601	-	-	-	7,621,601
Total Supporting Services	<u>10,472,997</u>	<u>109,338</u>	<u>-</u>	<u>(106,980)</u>	<u>10,475,355</u>
Total Expenses	<u>96,634,862</u>	<u>2,236,128</u>	<u>3,625</u>	<u>(106,980)</u>	<u>98,767,635</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	4,065,674	(18,511)	(3,622)	-	4,043,541
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS					
Time and Purpose Restricted Contributions	2,714,499	-	-	-	2,714,499
Investment Income	(239,113)	-	-	-	(239,113)
Net Assets Released from Restrictions	(1,437,793)	-	-	-	(1,437,793)
Changes in Net Assets with Donor Restrictions	<u>1,037,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,037,593</u>
CHANGES IN NET ASSETS	5,103,267	(18,511)	(3,622)	-	5,081,134
Net Assets-Beginning of the Year	<u>44,051,661</u>	<u>(289,279)</u>	<u>252,265</u>	<u>(590,946)</u>	<u>43,423,701</u>
NET ASSETS - END OF YEAR	<u>\$ 49,154,928</u>	<u>\$ (307,790)</u>	<u>\$ 248,643</u>	<u>\$ (590,946)</u>	<u>\$ 48,504,835</u>