



THE IZAAK WALTON LEAGUE OF AMERICA, INC.

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

For the Years Ended December 31, 2023 and 2022

**THE IZAAK WALTON LEAGUE OF AMERICA, INC.
FINANCIAL STATEMENTS**

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INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
The Izaak Walton League of America, Inc.
Gaithersburg, Maryland**

Opinion

We have audited the accompanying financial statements of **The Izaak Walton League of America, Inc.** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **The Izaak Walton League of America, Inc.** as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **The Izaak Walton League of America, Inc.** 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.

Prior Period Financial Statements

The financial statements of **The Izaak Walton League of America, Inc.** for the year ended December 31, 2022 were audited by other auditors whose report dated July 6, 2023 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **The Izaak Walton League of America, Inc.**'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

THE IZAAK WALTON LEAGUE OF AMERICA, INC., INC.

Independent Auditors' Report

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **The Izaak Walton League of America, Inc.**'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **The Izaak Walton League of America, Inc.**'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.

DeLeon & Stang

DeLeon & Stang, CPAs and Advisors

Frederick, Maryland

June 18, 2024

THE IZAAK WALTON LEAGUE OF AMERICA, INC.
Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and equivalents	\$ 3,153,156	\$ 1,934,562
Contributions and other receivables	15,343	25,323
Rent receivable - current portion	3,282	20,156
Prepaid expenses	33,611	76,030
Total current assets	3,205,392	2,056,071
FIXED ASSETS		
Land	258,521	258,521
Building and improvements	3,977,937	3,780,951
Donated artwork	8,330	8,330
Furniture and equipment	66,548	62,731
Database in progress	87,320	-
Website	30,517	30,517
	4,429,173	4,141,050
Less: Accumulated depreciation and amortization	(3,309,808)	(3,176,296)
Net fixed assets	1,119,365	964,754
OTHER ASSETS		
Investments	3,954,431	3,909,475
Rent receivable, net of current portion	94,253	91,437
Interest in charitable remainder unitrust	3,327,755	2,983,276
Total other assets	7,376,439	6,984,188
TOTAL ASSETS	\$ 11,701,196	\$ 10,005,013
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 154,963	\$ 150,096
Accrued salaries and related benefits	36,922	58,069
Deferred revenue	8,341	7,013
Total current liabilities	200,226	215,178
LONG-TERM LIABILITIES		
Security deposits	28,075	27,975
Total liabilities	228,301	243,153
NET ASSETS		
Without donor restrictions	6,170,867	4,743,562
With donor restrictions	5,302,028	5,018,298
Total net assets	11,472,895	9,761,860
TOTAL LIABILITIES AND NET ASSETS	\$ 11,701,196	\$ 10,005,013

THE IZAAK WALTON LEAGUE OF AMERICA, INC.
Statements of Activities
For the Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Grants and contributions	\$ 1,949,022	\$ 1,272,676	\$ 3,221,698	\$ 1,138,203	\$ 1,066,279	\$ 2,204,482
Rental income	411,939	-	411,939	485,492	-	485,492
Contributed nonfinancial assets	197,492	-	197,492	391,823	-	391,823
Other revenue	566,136	-	566,136	79,153	-	79,153
Investment income, net	82,312	14,667	96,979	49,115	8,994	58,109
Change in value of interest in charitable remainder unitrust	-	344,479	344,479	-	(353,948)	(353,948)
Net assets released from donor restrictions	<u>1,348,092</u>	<u>(1,348,092)</u>	<u>-</u>	<u>1,248,039</u>	<u>(1,248,039)</u>	<u>-</u>
 Total support and revenue	 <u>4,554,993</u>	 <u>283,730</u>	 <u>4,838,723</u>	 <u>3,391,825</u>	 <u>(526,714)</u>	 <u>2,865,111</u>
EXPENSES						
Program Services	2,859,870	-	2,859,870	2,908,940	-	2,908,940
Supporting Services	<u>572,865</u>	<u>-</u>	<u>572,865</u>	<u>769,520</u>	<u>-</u>	<u>769,520</u>
 Total expenses	 <u>3,432,735</u>	 <u>-</u>	 <u>3,432,735</u>	 <u>3,678,460</u>	 <u>-</u>	 <u>3,678,460</u>
 Change in net assets before other item	 1,122,258	 283,730	 1,405,988	 (286,635)	 (526,714)	 (813,349)
OTHER ITEM						
Realized and unrealized gain (loss) on investments	<u>305,047</u>	<u>-</u>	<u>305,047</u>	<u>(454,619)</u>	<u>-</u>	<u>(454,619)</u>
 Change in net assets	 1,427,305	 283,730	 1,711,035	 (741,254)	 (526,714)	 (1,267,968)
 Net assets at beginning of year	 <u>4,743,562</u>	 <u>5,018,298</u>	 <u>9,761,860</u>	 <u>5,484,816</u>	 <u>5,545,012</u>	 <u>11,029,828</u>
 NET ASSETS AT END OF YEAR	 <u><u>\$ 6,170,867</u></u>	 <u><u>\$ 5,302,028</u></u>	 <u><u>\$ 11,472,895</u></u>	 <u><u>\$ 4,743,562</u></u>	 <u><u>\$ 5,018,298</u></u>	 <u><u>\$ 9,761,860</u></u>

See Accompanying Notes to Financial Statements

THE IZAAK WALTON LEAGUE OF AMERICA, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2023

	2023								
	Program Services								
	General Conservation	Clean Water	Communications and Media	Membership Services	Agriculture	Convention	Chapter Relations	Missouri River Initiative	Total Program Services
Salaries and wages	\$ 127,032	\$ 209,088	\$ 138,918	\$ 75,692	\$ 33,378	\$ 29,649	\$ 69,171	\$ 42,084	\$ 725,012
Professional fees	755	13,679	46,658	20,795	-	13,099	2,244	-	97,230
Contributed nonfinancial assets	197,492	-	-	-	-	-	-	-	197,492
Fringe benefits	36,736	103,407	45,165	22,559	10,081	5,384	20,610	18,615	262,557
Utilities, repairs, and maintenance	-	-	-	36,684	-	-	-	-	36,684
Other expenses, advertising, and supplies	3,015	104,517	795	1,055	448	3,004	694	2,722	116,250
Printing and publications	857	1,730	86,832	59,696	251	2,878	9,049	-	161,293
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Postage and shipping	94	8,541	61,835	23,275	577	1,824	12,365	193	108,704
Conferences	435	4,115	863	418	13,284	44,069	688	353	64,225
Promotional expenses	487	4,098	-	50,412	-	1,205	7,741	1,468	65,411
Computer and internet	150	7,035	24,249	-	25	460	-	435	32,354
Travel	7,975	17,144	5,123	6,178	12,315	5,189	7,530	9,399	70,853
Business insurance	-	-	-	-	-	-	-	-	-
Dues, awards, and grants	20,924	1,434	8,015	320	5,217	-	15,625	-	51,535
Bank and processing fees	6	410	-	14,120	-	2,806	81	177	17,600
Taxes and licenses	-	80	-	-	-	-	-	40	120
Telephone	575	690	-	307	56	-	475	600	2,703
Total direct expenses	<u>396,533</u>	<u>475,968</u>	<u>418,453</u>	<u>311,511</u>	<u>75,632</u>	<u>109,567</u>	<u>146,273</u>	<u>76,086</u>	<u>2,010,023</u>
Indirect expense allocation	<u>101,751</u>	<u>317,736</u>	<u>152,305</u>	<u>89,662</u>	<u>43,642</u>	<u>25,147</u>	<u>63,562</u>	<u>56,042</u>	<u>849,847</u>
TOTAL	<u>\$ 498,284</u>	<u>\$ 793,704</u>	<u>\$ 570,758</u>	<u>\$ 401,173</u>	<u>\$ 119,274</u>	<u>\$ 134,714</u>	<u>\$ 209,835</u>	<u>\$ 132,128</u>	<u>\$ 2,859,870</u>

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THE IZAAK WALTON LEAGUE OF AMERICA, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2023

	2023 (Continued)			
	Supporting Services			
	Management and General	Development	Total Supporting Services	Total Expenses
Salaries and wages	\$ 151,643	\$ 42,591	\$ 194,234	\$ 919,246
Professional fees	392,934	166,130	559,064	656,294
Contributed nonfinancial assets	-	-	-	197,492
Fringe benefits	98,888	12,242	111,130	373,687
Utilities, repairs, and maintenance	174,134	-	174,134	210,818
Other expenses, advertising, and supplies	44,481	7,207	51,688	167,938
Printing and publications	351	2,163	2,514	163,807
Depreciation and amortization	133,512	-	133,512	133,512
Postage and shipping	7,552	33,141	40,693	149,397
Conferences	12,073	2,028	14,101	78,326
Promotional expenses	-	13	13	65,424
Computer and internet	22,906	-	22,906	55,260
Travel	5,359	36	5,395	76,248
Business insurance	50,889	-	50,889	50,889
Dues, awards, and grants	16,291	1,599	17,890	69,425
Bank and processing fees	938	2,283	3,221	20,821
Taxes and licenses	24,618	9,371	33,989	34,109
Telephone	7,339	-	7,339	10,042
	1,143,908	278,804	1,422,712	3,432,735
Indirect expense allocation	(913,571)	63,724	(849,847)	-
TOTAL	\$ 230,337	\$ 342,528	\$ 572,865	\$ 3,432,735

THE IZAAK WALTON LEAGUE OF AMERICA, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2022

2022									
Program Services									
	General Conservation	Clean Water	Communications and Media	Membership Services	Agriculture	Convention	Chapter Relations	Missouri River Initiative	Total Program Services
Payroll expenses	\$ 100,660	\$ 197,733	\$ 151,615	\$ 86,885	\$ 125,675	\$ 34,992	\$ 60,859	\$ 50,249	\$ 808,668
Professional fees	66,604	86,663	101,065	43,978	38,176	37,124	19,141	14,970	407,721
Contributed nonfinancial assets	391,823	-	-	-	-	-	-	-	391,823
Fringe benefits	35,658	102,203	53,393	38,805	49,480	10,873	19,262	22,950	332,624
Utilities, repairs, and maintenance	24,407	26,804	21,004	86,257	14,039	7,018	6,440	5,505	191,474
Other expenses, advertising, and supplies	9,575	84,366	8,733	10,396	5,675	5,856	3,704	2,397	130,702
Printing and publications	350	870	80,292	31,340	5,787	3,107	5,120	(52)	126,814
Depreciation and amortization	17,951	19,713	15,447	11,870	10,325	5,162	4,736	4,049	89,253
Postage and shipping	365	2,804	32,953	25,535	677	1,650	9,157	81	73,222
Conferences	-	3,106	450	440	8,756	67,145	100	200	80,197
Promotional expenses	-	6,376	-	41,751	-	1,600	-	-	49,727
Computer and internet	3,295	7,562	31,933	2,499	3,602	904	830	1,144	51,769
Travel	1,638	12,181	3,783	4,438	14,844	7,846	6,017	6,102	56,849
Business insurance	6,815	7,485	5,865	4,507	3,920	1,960	1,798	1,537	33,887
Dues, awards, and grants	15,682	2,791	4,759	2,203	6,052	680	14,806	533	47,506
Bank and processing fees	344	454	296	14,362	198	3,466	98	251	19,469
Taxes and licenses	1,843	2,129	1,586	1,219	1,060	530	486	456	9,309
Telephone	1,346	1,630	922	1,064	1,036	308	708	912	7,926
TOTAL	\$ 678,356	\$ 564,870	\$ 514,096	\$ 407,549	\$ 289,302	\$ 190,221	\$ 153,262	\$ 111,284	\$ 2,908,940

(Continued)

THE IZAAK WALTON LEAGUE OF AMERICA, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2022

2022 (Continued)				
Supporting Services				
	Management and General	Development	Total Supporting Services	Total Expenses
Payroll expenses	\$ 43,899	\$ 84,818	\$ 128,717	\$ 937,385
Professional fees	115,726	186,501	302,227	709,948
Contributed nonfinancial assets	-	-	-	391,823
Fringe benefits	26,350	22,731	49,081	381,705
Utilities, repairs, and maintenance	78,794	5,785	84,579	276,053
Other expenses, advertising, and supplies	15,833	3,640	19,473	150,175
Printing and publications	(140)	12,690	12,550	139,364
Depreciation and amortization	36,416	4,254	40,670	129,923
Postage and shipping	705	50,655	51,360	124,582
Conferences	19,650	98	19,748	99,945
Promotional expenses	-	11,447	11,447	61,174
Computer and internet	5,211	745	5,956	57,725
Travel	701	103	804	57,653
Business insurance	15,957	4,556	20,513	54,400
Dues, awards, and grants	3,916	2,059	5,975	53,481
Bank and processing fees	571	1,588	2,159	21,628
Taxes and licenses	5,805	6,277	12,082	21,391
Telephone	1,900	279	2,179	10,105
	<u>\$ 371,294</u>	<u>\$ 398,226</u>	<u>\$ 769,520</u>	<u>\$ 3,678,460</u>

See Accompanying Notes to Financial Statements

THE IZAAK WALTON LEAGUE OF AMERICA, INC.
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,711,035	\$ (1,267,968)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	133,512	129,923
Realized and unrealized (gain) loss on investments	(305,047)	454,619
Change in value of interest in charitable remainder unitrust	(344,479)	353,948
Changes in operating assets and liabilities:		
Contributions and other receivables	9,980	(24,044)
Rent receivable	14,058	(111,593)
Prepaid expenses	42,419	(19,572)
Accounts payable and accrued liabilities	4,867	18,557
Accrued salaries and related benefits	(21,147)	21,578
Deferred revenue	1,328	3,950
Security deposits	100	5,853
	<u>1,246,626</u>	<u>(434,749)</u>
Net cash provided by (used in) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(288,123)	(86,892)
Purchases of investments	(130,962)	(2,558,146)
Proceeds from sales of investments	391,053	1,250,150
	<u>(28,032)</u>	<u>(1,394,888)</u>
Net cash used in investing activities		
Net increase (decrease) in cash and cash equivalents	1,218,594	(1,829,637)
Cash and cash equivalents at beginning of year	<u>1,934,562</u>	<u>3,764,199</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,153,156</u>	<u>\$ 1,934,562</u>

THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
Notes to the Financial Statements
December 31, 2023 and 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Izaak Walton League of America, Inc. (IWLA) was incorporated in 1922 under the laws of the State of Illinois. Over the past 100 years, IWLA has been an extraordinary champion and defender of the nation's soil, air, woods, waters and wildlife. Through member-driven bottom-up governance, IWLA is protecting outdoor America in communities across the country, while working strategically at the national level to win critical conservation battles.

Volunteers are the heart and soul of IWLA's brand of community-based conservation. Much of that volunteer work happens at our more than 200 chapters, where individuals can find opportunities to enjoy outdoor America – and protect it for the enjoyment of others. Some chapters offer hiking trails, fishing ponds, and shooting sports facilities. Others organize stream clean-ups, youth programs, and conservation education. IWLA's local chapters have been incorporated as separate entities and IWLA does not have the ability to appoint any member of Boards of its chapters. Therefore, IWLA's chapters are not required to be consolidated under accounting principles generally accepted in the United States of America (U.S. GAAP). Local chapters collect membership dues on behalf of IWLA and remit national dues to IWLA.

IWLA's program services include the following:

- *General Conservation:* The general conservation program advances IWLA's conservation policy agenda by providing background information to Congress and state legislatures; keeping members informed about Federal and state legislative and regulatory issues affecting natural resources and the environment; educating the public about important conservation issues; and assisting members and chapters in implementing local conservation projects.
- *Clean Water:* All over America, volunteers are stepping into the gap to ensure our water is safe – and IWLA is the only organization training, equipping, and coordinating these volunteers on a national scale. The Save Our Streams program is the only nationwide program training volunteers to protect waterways from pollution and bring information about water quality to their communities.
- *Communications and Media:* Outdoor America magazine is IWLA's flagship publication and the primary vehicle for communicating with IWLA's members about conservation activities at the local, state, and national levels. Each issue includes highlights of chapter activities and articles that focus on key conservation and outdoor recreation issues. Other publications produced by IWLA include a monthly electronic newsletter, annual reports and support materials for conservation programs. In addition, IWLA's staff works with the media to keep the public informed about national, regional, and local conservation issues and projects.

THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

NOTE 1 **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

- *Membership Services:* IWLA supports its local chapters through member recognition and award programs, communication tools, membership marketing materials and other publications, and workshops.
- *Agriculture:* Since 1937, IWLA has promoted farming methods that sustain people and natural resources. To their credit, American farmers feed the country and much of the world. However, current farm practices, enabled by our farm policy, are polluting our water, eroding our topsoil, and degrading soil health. Investments in conservation over the past half century, paid with tax dollars, have helped, but today's problems affect entire landscapes and they are accelerating. Through national policy advocacy, IWLA's goal is to expand agriculture conservation programs and funding to scale up conservation practices across millions of acres of land to improve soil health and the nutritional value of our food, reduce polluted runoff, and combat climate change by sequestering more carbon in soil, wetlands, and grasslands.
- *Convention:* IWLA's annual convention provides an opportunity for members from around the country to participate in the democratic process that governs IWLA and to work together to advance IWLA's conservation, outdoor recreation and education mission.
- *Chapter Relations:* At the heart of IWLA are more than 200 local chapters across the country. These chapters form a grassroots volunteer network of conservationists and community activists who are fighting to protect the natural resources they love and enjoy.
- *Missouri River Initiative:* IWLA works with Federal and state agencies and private stakeholders in Iowa, Nebraska, and South Dakota to assess the environmental challenges facing the Missouri River ecosystem, restore the river's natural flows, improve fish and wildlife habitat, and provide increased opportunities for outdoor recreation. As part of this ongoing effort, IWLA coordinates river cleanups and hosts educational events for students and their families along the river.

Basis of presentation

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Revenue is recognized when earned and expenses are recognized when the obligation is incurred.

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THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

NOTE 1 **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Basis of presentation (Continued)

As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.
- *Net Assets with Donor Restrictions* - Net assets may be subject to donor-imposed stipulations that are more restrictive than IWLA's mission and purpose. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Cash and cash equivalents

IWLA considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Cash and cash equivalents held by investment managers are included within investments and totaled \$340,994 and \$335,503 as of December 31, 2023 and 2022, respectively.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, IWLA maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments

Investments are recorded at their readily determinable fair value. Interest and dividends are included in investment income, which is presented net of investment expenses paid to external investment advisors in the accompanying Statements of Activities. Realized and unrealized loss on investments is presented separately in the accompanying Statement of Activities. Investments acquired by gift are recorded at their fair value at the date of the gift. IWLA's policy is to liquidate all donated investments as soon as possible after the gift.

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THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

NOTE 1 **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Fair value measurement

IWLA follows the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. IWLA accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Contributions and other receivables

Contributions and other receivables does not include any amounts related to revenue streams that are treated as exchange transactions under ASC Topic 606 (other receivables primarily consisted of amounts due from employees). Contributions and other receivables are expected to be collected within one year and are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets

Fixed assets in excess of \$1,500 are capitalized and stated at cost. Fixed assets are depreciated or amortized on a straight-line basis over the estimated useful lives of the related assets, generally 3 to 30 years. The cost of maintenance and repairs is recorded as such expenses are incurred. Depreciation and amortization expense totaled \$133,512 and \$129,923 for the years ended December 31, 2023 and 2022, respectively.

Impairment of long-lived assets

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced to its current fair value through a charge to the Statement of Activities.

Deferred revenue

Deferred revenue typically consists of rental income and winter meeting registration (a revenue stream that is treated as an exchange transaction under ASC Topic 606). IWLA recognizes rental income on a straight line basis in the period to which it applies and convention registration fees in the period the related event occurs. Most of IWLA's contracts with customers have initial terms of one year or less. Deferred winter meeting registration, the only revenue stream included in deferred revenue that is subject to ASC 606, totaled \$0 and \$1,160 at December 31, 2023 and 2022, respectively.

THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

NOTE 1 **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Support and revenue

IWLA receives contributions, including unconditional promises to give, from donors. Contributions are recognized in the appropriate category of net assets in the period received. IWLA performs an analysis of the individual contribution agreement to determine if the funding streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal under ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. For grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable.

Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed purpose restrictions or satisfaction of time restrictions. Contributions with donor restrictions in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Conditional contributions contain a measurable barrier and a right of return. Contributions are recognized when donor-stipulated conditions have been satisfied. Federal grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional. Conditional contributions received in advance of incurring qualifying expenditures are recorded as refundable advances. There were no refundable advances as of December 31, 2023 and 2022. In addition, IWLA has obtained funding source agreements for contributions and grants which include conditional contributions to be received in future years. IWLA's conditional contributions which will be recognized in future years approximated \$285,098 and \$153,000 as of December 31, 2023 and 2022, respectively.

Membership dues are considered contributions and are recognized upon receipt. Membership dues received in advance of the membership period are recognized as time restricted contributions within net assets with donor restrictions. These amounts are released from restriction in the appropriate membership period. Membership dues are included in grants and contributions in the accompanying Statement of Activities and Change in Net Assets.

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by IWLA.

Other income primarily consisted of convention registration, sales of merchandise, and funds received as a result of the closure of one IWLA division and one IWLA chapter in 2023.

THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

NOTE 1 **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of IWLA are reported as direct expenses and those expenses that benefit more than one function are allocated on the basis of estimated effort.

Risks and uncertainties

IWLA invests in equity and fixed income investment securities, which are exposed to various risks such as interest rate fluctuations, market risks and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Income taxes

IWLA is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. IWLA is only subject to tax on its unrelated business activities, such as advertising, however, there were no such taxable activities during the years ended December 31, 2023 and 2022. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Uncertain tax positions

For the years ended December 31, 2023 and 2022, IWLA has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

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THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

NOTE 2 INVESTMENTS

Investments consisted of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Mutual funds - Equities	\$ 1,881,440	\$ 1,702,500
Mutual funds - Fixed income	1,003,491	892,021
Certificates of deposit	728,506	979,451
Cash and cash equivalents	<u>340,994</u>	<u>335,503</u>
TOTAL INVESTMENTS	<u>\$ 3,954,431</u>	<u>\$ 3,909,475</u>

Net investment return includes the following for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Interest and dividends	115,534	70,758
Management fees	<u>(18,555)</u>	<u>(12,649)</u>
Investment income, net	96,979	58,109
Realized and unrealized gain (loss) on investments	<u>305,047</u>	<u>(454,619)</u>
NET INVESTMENT RETURN	<u>\$ 402,026</u>	<u>\$ (396,510)</u>

NOTE 3 CHARITABLE REMAINDER UNITRUST

IWLA is the beneficiary of a charitable remainder unitrust (the Trust). Under the terms of the Trust, annual payments from the Trust are made to the grantors during their lifetimes. The term of the Trust endures until the death of the survivor recipient. At the end of the Trust, the remaining assets will be distributed to IWLA. The amount receivable from the Trust has been reported in the Statement of Financial position as interest in charitable remainder unitrust and the related contribution has been classified as net assets with donor restrictions due to the implied time restriction on the long term amount receivable.

A third party trustee holds the assets and acts as the administrator. IWLA's interest in the Trust is equivalent to the estimated net present value of expected future cash flows, which is based on the grantors' life expectancies, an expected return on the Trust's assets of 5%, a growth rate of 3% and a payout rate of 8%. The estimated net present value is calculated based a discount rate of 7.6% and totaled \$3,327,755 and \$2,983,276 as of December 31, 2023 and 2022, respectively.

During November 2023, the last remaining survivor recipient passed away, resulting in the end of the Trust. During May 2024, the probate process was finalized and on June 10, 2024, IWLA received a final disbursement of remaining trust assets in the amount of \$4,166,220.

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THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

NOTE 4 FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, IWLA has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to 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 to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statement of Financial Position are categorized based on the following inputs to the valuation techniques:

Level 1 Fair values are based on unadjusted quoted prices for identical assets in an active market that IWLA has the ability to access.

Level 2 Fair values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3 Fair values are based on inputs to the valuation methodology which are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for financial assets measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended December 31, 2023. Transfers between levels would be recorded at the end of the reporting period, when applicable.

- *Mutual funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by IWLA are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by IWLA are deemed to be actively traded.
- *Certificates of deposit* - Valued at original cost plus accrued interest, which approximates fair value.
- *Interest in charitable remainder unitrust* - Valued based on unobservable inputs, such as the fair value of the underlying assets which are held by a third party Trustee along with IWLA's assumptions which are used in calculating the net present value of the financial asset (see Note 3).

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THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

NOTE 4 **FAIR VALUE MEASUREMENT** (Continued)

The following table summarizes the financial assets, which are measured at fair value on a recurring basis, as of December 31, 2023 and 2022:

	2023			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Equities	\$ 1,881,440	\$ -	\$ -	\$ 1,881,440
Fixed income	1,003,491	-	-	1,003,491
Cash and cash equivalents	340,994	-	-	340,994
Certificates of deposit	-	728,506	-	728,506
Interest in charitable remainder unitrust	-	-	3,327,755	3,327,755
	<u>\$ 3,225,925</u>	<u>\$ 728,506</u>	<u>\$ 3,327,755</u>	<u>\$ 7,282,186</u>
	2022			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Equities	\$ 1,702,500	\$ -	\$ -	\$ 1,702,500
Fixed income	892,021	-	-	892,021
Cash and cash equivalents	335,503	-	-	335,503
Certificates of deposit	-	979,451	-	979,451
Interest in charitable remainder unitrust	-	-	2,983,276	2,983,276
	<u>\$ 2,930,024</u>	<u>\$ 979,451</u>	<u>\$ 2,983,276</u>	<u>\$ 6,892,751</u>

NOTE 5 **NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restrictions include amounts that have been designated by the Board of Directors. The Board has approved motions to designate two funds.

At its July 1995 meeting, the Board of Directors approved a motion to establish the Izaak Walton League Trust (IWL Trust) to function as a quasi-endowment fund. The guidelines for the IWL Trust indicate that only "irrevocable and unrestricted" gifts would be accepted. The intention was for the IWL Trust to function as a Board-designated quasi-endowment fund with the earnings to be used for general operations. Furthermore, IWLA's bylaws indicate that 50% of Life Membership Dues and 80% of Life Benefactor Dues would be set aside in the IWL Trust. The Board-designated net assets without donor restrictions related to the IWL Trust totaled \$0 as of December 31, 2023 and 2022.

The Board of Directors has also approved a motion to establish a fund for catastrophic and unbudgeted repairs and maintenance of property, including the building. The board-designated net assets without donor restrictions related to the maintenance of property totaled \$250,000 as of December 31, 2023 and 2022.

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THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

NOTE 5 **NET ASSETS WITHOUT DONOR RESTRICTIONS** (Continued)

Net assets without donor restrictions consisted of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Undesignated	\$ 5,920,867	\$ 4,493,562
Board-designated:		
Maintenance of property	<u>250,000</u>	<u>250,000</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 6,170,867</u>	<u>\$ 4,743,562</u>

NOTE 6 **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following as of December 31, 2023:

	<u>Beginning Balance</u>	<u>Additions and Other</u>	<u>Releases</u>	<u>Ending Balance</u>
Purpose restrictions:				
Agriculture	\$ 218,859	\$ -	\$ (56,383)	\$ 162,476
Development	128,056	130,611	(257,874)	793
Clean Water	52,552	534,045	(492,239)	94,358
Missouri River Initiative	17,625	50,100	(45,488)	22,237
Communications and Media	10,000	-	-	10,000
Chapter Relations	4,394	11,750	(6,510)	9,634
Convention	3,700	-	-	3,700
Outdoor Ethics	3,147	-	(3,147)	-
100th Anniversary	1,850	718	(2,568)	-
Education and other	725	5,400	(3,220)	2,905
Time restrictions:				
Charitable remainder unitrust	2,983,276	344,479	-	3,327,755
Membership dues	480,493	540,052	(480,493)	540,052
Endowment fund:				
Izaak Walton League Trust	<u>1,113,621</u>	<u>14,667</u>	<u>(170)</u>	<u>1,128,118</u>
	<u>\$ 5,018,298</u>	<u>\$ 1,631,822</u>	<u>\$(1,348,092)</u>	<u>\$ 5,302,028</u>

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THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

NOTE 6 **NET ASSETS WITH DONOR RESTRICTIONS** (Continued)

Net assets with donor restrictions consisted of the following as of December 31, 2022:

	Beginning Balance	Additions and Other	Releases	Ending Balance
Purpose restrictions:				
Agriculture	\$ 218,487	\$ 171,244	\$ (170,872)	\$ 218,859
Development	400	127,658	(2)	128,056
Clean Water	86,990	136,192	(170,630)	52,552
Missouri River Initiative	156	89,092	(71,623)	17,625
Communications and Media	10,000	-	-	10,000
Chapter Relations	5,155	5,150	(5,911)	4,394
Convention	-	3,700	-	3,700
Outdoor Ethics	3,147	-	-	3,147
100th Anniversary	-	26,765	(24,915)	1,850
Education and other	1,858	809	(1,942)	725
Time restrictions:				
Charitable remainder unitrust	3,337,224	(353,948)	-	2,983,276
Membership dues	793,150	480,493	(793,150)	480,493
Endowment fund:				
Izaak Walton League Trust	<u>1,088,445</u>	<u>34,170</u>	<u>(8,994)</u>	<u>1,113,621</u>
	<u>\$ 5,545,012</u>	<u>\$ 721,325</u>	<u>\$(1,248,039)</u>	<u>\$ 5,018,298</u>

NOTE 7 **LIQUIDITY**

IWLA has a policy to structure its financial assets to be available and liquid as its obligations become due. In order to increase the earnings potential on available cash and to reduce the risk from exposure to credit risk, IWLA has invested its excess cash in a portfolio of certificates of deposit.

Financial assets available for use within one year of the Statements of Financial Position date comprise the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash and equivalents	\$ 3,153,156	\$ 1,934,562
Contributions and other receivables	15,343	25,323
Rent receivable	97,535	111,593
Investments	3,954,431	3,909,475
Interest in charitable remainder unitrust	3,327,755	2,983,276
Less amounts unavailable for general expenditure within one year:		
Rent receivable, net of current portion	(94,253)	(91,437)
Board-designated net assets	(250,000)	(250,000)
Net assets with donor restrictions for purpose	(306,103)	(440,908)
Net assets with donor restrictions for endowment	(1,128,118)	(1,113,621)
Net assets with donor restrictions for time	<u>(3,327,755)</u>	<u>(2,983,276)</u>
FINANCIAL ASSETS AVAILABLE FOR USE WITHIN ONE YEAR	<u>\$ 5,441,991</u>	<u>\$ 4,084,987</u>

THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

NOTE 8 CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets are recorded at estimated fair value in the Statement of Activities. Contributed nonfinancial assets consisted entirely of contributed services, did not have donor-imposed restrictions and were utilized in the General Conservation program. Contributed services are recorded at fair value in the period received and consisted entirely of pro bono legal services totaling \$197,492 and \$391,823 for the years ended December 31, 2023 and 2022, respectively.

In addition, volunteers have donated significant amounts of their time to IWLA, however, these contributed services have not been reflected in the financial statements since the services do not meet the criteria for recognition under U.S. GAAP.

NOTE 9 RENTAL INCOME

IWLA has three lessees that have signed operating leases expiring on various dates through 2028. Each lease has an annual escalation of base rent and the rental income related to the leases has been recorded on a basis to achieve straight-line rental income in accordance with U.S. GAAP. The rent receivable has been included in contributions and other receivables in the Statements of Financial Position and totaled \$97,534 and \$111,593 as of December 31, 2023 and 2022, respectively. Rental income totaled \$411,939 and \$485,492 for the years ended December 31, 2023 and 2022, respectively.

The following is a schedule of the future minimum rental receipts:

<u>Year Ending December 31,</u>	
2024	\$ 156,522
2025	162,783
2026	169,294
2027	119,097
2028	<u>15,395</u>
	<u>\$ 623,091</u>

NOTE 10 RETIREMENT PLAN

IWLA sponsors a defined-contribution retirement plan that covers substantially all eligible employees. To qualify for the discretionary employer contributions, plan participants must complete at least two years of service. IWLA provides discretionary contributions to the plan based on a percentage of an employee's gross salary up to the maximum permitted by IRS regulations. Contributions to the retirement plan totaled \$15,963 and \$18,075 for the years ended December 31, 2023 and 2022, respectively.

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**THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022**

NOTE 11 ENDOWMENTS

IWLA's endowment funds consist entirely of donor-restricted endowment funds at December 31, 2023 and 2022. Since the IWL Trust was established by the Board of Directors as a Board-designated quasi-endowment in 1995, donors have provided contributions to the IWL Trust and paid Life Membership Dues or Life Benefactor Dues, a portion of which is directed to the IWL Trust. In accordance with language in the underlying donor solicitation materials, these contributions to the IWL Trust and Life Membership Dues or Life Benefactor Dues are donor-restricted for endowment.

As required by U.S. GAAP, net assets associated with endowment funds, including those funds designated by the Board of Directors to function as endowments, such as the IWL Trust, are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors has determined that the endowment funds are subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by the State of Maryland.

The Board of Directors has interpreted UPMIFA as requiring the maintenance of the purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, IWLA considers a fund to be underwater 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. IWLA has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

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

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Endowment funds, which were entirely classified within net assets with donor restrictions, consisted of the following as of December 31, 2023:

	<u>Held for Use</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Izaak Walton League Trust	\$ -	\$ 1,128,118	\$ 1,128,118

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THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

NOTE 11 **ENDOWMENTS** (Continued)

Endowment funds, which were entirely classified within net assets with donor restrictions, consisted of the following as of December 31, 2022:

	Held in		
	<u>Held for Use</u>	<u>Perpetuity</u>	<u>Total</u>
Izaak Walton League Trust	<u>\$ -</u>	<u>\$ 1,113,621</u>	<u>\$ 1,113,621</u>

Changes in endowment funds consisted of the following as of and for the years ended December 31, 2023:

	Held in		
	<u>Held for Use</u>	<u>Perpetuity</u>	<u>Total</u>
Endowment funds, as of January 1, 2023	\$ -	\$ 1,113,621	\$ 1,113,621
Net investment return	9,380	-	9,380
Contributions	-	14,497	14,497
Appropriations	<u>(9,380)</u>	<u>-</u>	<u>(9,380)</u>
ENDOWMENT FUNDS, AS OF DECEMBER 31, 2023	<u>\$ -</u>	<u>\$ 1,128,118</u>	<u>\$ 1,128,118</u>

Changes in endowment funds consisted of the following as of and for the years ended December 31, 2022:

	Held in		
	<u>Held for Use</u>	<u>Perpetuity</u>	<u>Total</u>
Endowment funds, as of January 1, 2022	\$ -	\$ 1,088,445	\$ 1,088,445
Net investment return	8,994	-	8,994
Contributions	-	25,176	25,176
Appropriations	<u>(8,994)</u>	<u>-</u>	<u>(8,994)</u>
ENDOWMENT FUNDS, AS OF DECEMBER 31, 2022	<u>\$ -</u>	<u>\$ 1,113,621</u>	<u>\$ 1,113,621</u>

Funds with deficiencies

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires to be retained for a fund of perpetual duration. With the exception of the interest in charitable remainder unitrust, which is a receivable, there were no such deficiencies as of December 31, 2023 and 2022.

Return objectives and risk parameters

IWLA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for programs supported by its endowment funds while seeking to maintain the purchasing power of the underlying endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to preserve capital.

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THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
Notes to the Financial Statements (Continued)
December 31, 2023 and 2022

NOTE 11 **ENDOWMENTS** (Continued)

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, IWLA 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). IWLA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy

The Board of Directors has adopted a spending policy that authorizes the Board, at its discretion, to provide for a distribution equal to 3.5% of the 3-year rolling average value of the investment portfolio on September 30 of each year. The Board of Directors determines whether or not to approve a distribution during the annual budget process.

NOTE 12 **SUBSEQUENT EVENTS**

In preparing these financial statements, IWLA has evaluated events and transactions for potential recognition or disclosure through June 18, 2024, which is the date the financial statements were available to be issued. Except as disclosed in Note 3, here were no subsequent events identified requiring disclosure or recognition in the financial statements.