

**RECREATIONAL BOATING AND FISHING FOUNDATION**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**MARCH 31, 2024 AND 2023**

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## **Independent Auditor's Report**

To the Board of Directors  
Recreational Boating and Fishing Foundation

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

#### ***Opinion***

We have audited the accompanying financial statements of Recreational Boating and Fishing Foundation (a nonprofit organization), which comprise the statements of financial position as of March 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Recreational Boating and Fishing Foundation as of March 31, 2024 and 2023, 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 audits 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 Recreational Boating and Fishing Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the 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 Recreational Boating and Fishing Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Independent Auditor's Report (Continued)**

### ***Auditor's 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 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 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 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 Recreational Boating and Fishing Foundation'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 Recreational Boating and Fishing Foundation'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.

**Independent Auditor's Report (Continued)**

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2024, on our consideration of Recreational Boating and Fishing Foundation's 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 Recreational Boating and Fishing Foundation's 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 Recreational Boating and Fishing Foundation's internal control over financial reporting and compliance.

*Gross, Mendelsohn & Associates, P.A.*

Baltimore, Maryland  
June 20, 2024

**RECREATIONAL BOATING AND FISHING FOUNDATION**  
**Statements of Financial Position**  
**March 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ -0-	\$ 11,186
Certificates of deposit	800,616	863,618
Government grant receivable	441,437	5,000
Other receivables	4,860	4,860
Prepaid expenses	50,436	350,084
Total Current Assets	<u>1,297,349</u>	<u>1,234,748</u>
<b>Property</b>		
Leasehold improvements	555,504	555,504
Office furniture	57,174	57,174
Computers	10,371	10,371
Finance lease right-of-use asset	50,421	50,421
Total Cost	<u>673,470</u>	<u>673,470</u>
Less: Accumulated depreciation	558,717	545,850
Accumulated amortization	14,459	4,855
Net Property	<u>100,294</u>	<u>122,765</u>
<b>Other Assets</b>		
Operating lease right-of-use asset	836,374	1,009,170
Security deposits	17,785	17,785
Total Other Assets	<u>854,159</u>	<u>1,026,955</u>
<b>Total Assets</b>	<u><u>\$ 2,251,802</u></u>	<u><u>\$ 2,384,468</u></u>

	<u>2024</u>	<u>2023</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 255,439	\$ 155,067
Cash overdraft	224,088	-0-
Government grant advance	-0-	227,855
Current maturities of finance lease liabilities	10,029	9,900
Current maturities of operating lease liabilities	240,240	230,190
Total Current Liabilities	<u>729,796</u>	<u>623,012</u>
<b>Non-Current Liabilities</b>		
Finance lease liabilities, net of current maturities	27,383	37,412
Operating lease liabilities, net of current maturities	948,196	1,188,366
Total Non-Current Liabilities	<u>975,579</u>	<u>1,225,778</u>
<b>Total Liabilities</b>	<u>1,705,375</u>	<u>1,848,790</u>
<b>Commitments and Contingencies (Note 5 and 6)</b>		
<b>Net Assets Without Donor Restrictions</b>		
General	293,810	234,557
Board-designated - George H.W. Bush		
<i>Vamos a Pescar</i> ™ Education Fund	252,617	301,121
Total Net Assets Without Donor Restrictions	<u>546,427</u>	<u>535,678</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 2,251,802</u>	<u>\$ 2,384,468</u>

The accompanying notes are an integral part of these financial statements.

**RECREATIONAL BOATING AND FISHING FOUNDATION**  
**Statements of Activities**  
**Years Ended March 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Support and Revenue</b>		
Government grants	\$ 13,728,577	\$ 14,328,508
Royalties and other revenue	6,211	36,729
Contributions	24,896	61,302
Interest income	25,837	8,630
	<hr/>	<hr/>
Total Support and Revenue	<b>13,785,521</b>	14,435,169
	<hr/>	<hr/>
<b>Expenses</b>		
Program services:		
Consumer engagement	9,703,530	10,339,208
Stakeholder engagement	2,837,374	2,963,093
Total program services	<b>12,540,904</b>	13,302,301
Management and general	<b>1,233,868</b>	1,097,918
	<hr/>	<hr/>
Total Expenses	<b>13,774,772</b>	14,400,219
	<hr/>	<hr/>
<b>Change in Net Assets Without Donor Restrictions</b>	<b>10,749</b>	34,950
	<hr/>	<hr/>
<b>Net Assets Without Donor Restrictions at Beginning of Year</b>	<b>535,678</b>	500,728
	<hr/>	<hr/>
<b>Net Assets Without Donor Restrictions at End of Year</b>	<b>\$ 546,427</b>	\$ 535,678
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.



**RECREATIONAL BOATING AND FISHING FOUNDATION**  
**Statements of Functional Expenses**  
**Years Ended March 31, 2024 and 2023**

	<b>2024</b>				
	<b>Consumer Engagement</b>	<b>Stakeholder Engagement</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Total</b>
<b>Expenses</b>					
Professional fees - consulting	\$ 8,132,300	\$ 662,223	\$ 8,794,523	\$ 68,401	\$ 8,862,924
Salaries	781,499	673,071	1,454,570	649,605	2,104,175
Personnel benefits	166,715	140,363	307,078	137,397	444,475
Meetings	33,544	365,986	399,530	16,369	415,899
Subgrants and agreements	-0-	389,300	389,300	-0-	389,300
Travel and training	68,182	170,678	238,860	68,261	307,121
Pension plan	78,201	67,351	145,552	65,003	210,555
Dues and subscriptions	164,562	20,626	185,188	19,907	205,095
Lease expense	76,975	66,295	143,270	63,984	207,254
Sponsorships and event costs	30,000	128,760	158,760	-0-	158,760
Payroll taxes	52,801	45,782	98,583	43,878	142,461
Website hosting	27,415	23,611	51,026	22,788	73,814
Office expense	16,574	21,075	37,649	12,162	49,811
Staff development	15,761	13,574	29,335	13,101	42,436
Professional fees - accounting and legal	4,636	1,983	6,619	30,218	36,837
Merchandise	13,491	19,563	33,054	90	33,144
Depreciation and amortization	8,345	7,188	15,533	6,937	22,470
Miscellaneous	16,325	2,970	19,295	2,961	22,256
Non-capitalized equipment	7,169	6,175	13,344	5,959	19,303
Insurance	5,861	5,048	10,909	4,872	15,781
Event registration	1,736	4,514	6,250	780	7,030
Taxes	944	813	1,757	784	2,541
Repairs and maintenance	494	425	919	411	1,330
<b>Total Expenses</b>	<b>\$ 9,703,530</b>	<b>\$ 2,837,374</b>	<b>\$ 12,540,904</b>	<b>\$ 1,233,868</b>	<b>\$ 13,774,772</b>

**2023**

<b>Consumer Engagement</b>	<b>Stakeholder Engagement</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Total</b>	<b>Increase (Decrease)</b>
\$ 8,843,984	\$ 415,640	\$ 9,259,624	\$ 71,388	\$ 9,331,012	\$ (468,088)
760,211	724,726	1,484,937	576,382	2,061,319	42,856
155,150	145,280	300,430	119,072	419,502	24,973
28,977	329,184	358,161	21,738	379,899	36,000
-0-	542,173	542,173	-0-	542,173	(152,873)
44,071	167,593	211,664	58,814	270,478	36,643
75,524	71,999	147,523	57,262	204,785	5,770
176,027	21,185	197,212	16,848	214,060	(8,965)
71,281	67,953	139,234	54,044	193,278	13,976
35,691	143,263	178,954	220	179,174	(20,414)
53,680	49,832	103,512	38,703	142,215	246
19,949	19,018	38,967	15,125	54,092	19,722
15,568	210,446	226,014	10,866	236,880	(187,069)
14,111	13,452	27,563	10,699	38,262	4,174
7,733	1,834	9,567	26,970	36,537	300
815	9,040	9,855	396	10,251	22,893
6,536	6,230	12,766	4,955	17,721	4,749
13,717	3,204	16,921	2,167	19,088	3,168
5,515	5,257	10,772	4,182	14,954	4,349
5,687	5,421	11,108	4,312	15,420	361
30	5,645	5,675	22	5,697	1,333
725	690	1,415	549	1,964	577
4,226	4,028	8,254	3,204	11,458	(10,128)
<b>\$ 10,339,208</b>	<b>\$ 2,963,093</b>	<b>\$ 13,302,301</b>	<b>\$ 1,097,918</b>	<b>\$ 14,400,219</b>	<b>\$ (625,447)</b>

The accompanying notes are an integral part of these financial statements.

**RECREATIONAL BOATING AND FISHING FOUNDATION**  
**Statements of Cash Flows**  
**Years Ended March 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets without donor restrictions	\$ 10,749	\$ 34,950
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	12,867	12,867
Amortization	9,604	4,855
Changes in operating assets and liabilities:		
Government grant receivable	(436,437)	(5,000)
Other receivables	-0-	(4,860)
Prepaid expenses	299,648	148,936
Operating lease right-of-use asset	172,796	169,640
Accounts payable and accrued expenses	100,372	(110,071)
Cash overdraft	224,088	-0-
Government grant advance	(227,855)	(142,849)
Operating lease liabilities	(230,120)	(220,322)
Net Cash Used in Operating Activities	<u>(64,288)</u>	<u>(111,854)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of certificates of deposit	(595,105)	(400,395)
Redemption of certificates of deposit	658,107	372,248
Net Cash Provided by (Used in) Investing Activities	<u>63,002</u>	<u>(28,147)</u>
<b>Cash Flows from Financing Activities</b>		
Payments on finance lease liabilities	<u>(9,900)</u>	<u>(3,108)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(11,186)</b>	<b>(143,109)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>11,186</u>	<u>154,295</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ -0-</u>	<u>\$ 11,186</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid for interest portion of finance lease	<u>\$ 552</u>	<u>\$ 375</u>
Cash paid for operating leases	<u>\$ 248,229</u>	<u>\$ 241,585</u>
Non-Cash Operating Activities:		
Right-of-use assets acquired under operating leases	\$ -0-	\$ 1,178,810
Deferred rent	-0-	460,067
Right-of-use liabilities assumed under operating leases	<u>\$ -0-</u>	<u>\$ 1,638,877</u>
Non-Cash Investment and Financing Activities:		
Property acquired under finance lease	<u>\$ -0-</u>	<u>\$ 50,421</u>

The accompanying notes are an integral part of these financial statements.

**RECREATIONAL BOATING AND FISHING FOUNDATION**  
**Notes to Financial Statements**  
**March 31, 2024 and 2023**

**Note 1: Nature of Organization and Summary of Significant Accounting Policies**

Recreational Boating and Fishing Foundation (Foundation) was organized on October 7, 1998 to facilitate the implementation of the National Outreach and Communications Program mandated by the Sportfishing and Boating Safety Act of 1998. Its mission is to implement an informed, consensus-based national outreach strategy that will increase participation in recreational angling and boating, thereby increasing public awareness and appreciation of the need for protecting, conserving, and restoring this nation's aquatic natural resources.

The accounting and reporting policies of the Foundation conform to accounting principles generally accepted in the United States of America. Following is a description of the most significant of those policies:

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents: The Foundation considers as cash equivalents all highly liquid investments, including certificates of deposit, that are easily convertible to known amounts of cash and have maturities of three months or less.

Certificates of Deposit: The Foundation has certificates of deposit with a bank that have original maturities ranging from ten to twenty-four months. The Foundation reports the certificates of deposit at cost.

Government Grant Receivable and Advance: Government grant receivable consists of amounts to be reimbursed to the Foundation for expenses incurred in excess of cash received under its Cooperative Agreement with the U.S. Fish and Wildlife Service (USFWS). Government grant advance consists of amounts advanced to the Foundation for draws in excess of expenses incurred under its Cooperative Agreement with the USFWS. The Foundation has not recorded an allowance for credit losses, based on management's assessment of estimated credit losses.

Property and Depreciation: Property is stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Leasehold improvements	10 years (term of lease)
Office furniture	5 years
Computers	3 years

Expenditures for maintenance and routine repairs are charged to expense as incurred; expenditures for improvements and major repairs that materially extend the useful lives of assets are capitalized. The Foundation's threshold for capitalization is any acquisition that meets the above criteria and is greater than or equal to \$5,000. Depreciation expense for both of years ended March 31, 2024 and 2023 was \$12,867.

**RECREATIONAL BOATING AND FISHING FOUNDATION**  
**Notes to Financial Statements**  
**March 31, 2024 and 2023**

**Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)**

Leases: The Foundation determines if an arrangement is a lease at the inception of the contract. As of the lease commencement date, each lease is evaluated to determine if it will be classified as an operating or finance lease. Leases with a term of 12 months or less are considered short-term leases and lease assets and liabilities are not recognized. Lease terms include the noncancellable portion of the leases and reasonably certain renewal periods, termination options and purchase options. The Foundation accounts for lease and non-lease components as a single lease. The Foundation uses the risk-free discount rate when the rate implicit in the lease is not available. Variable lease payment amounts that cannot be determined at commencement of the lease such as lease payments based on changes in index rates or usage are not included in the lease assets or liabilities.

Net Assets: Net assets, revenue, support, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets without Donor Restrictions*: Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restriction, net assets for the George H.W. Bush *Vamos A Pescar*™ Education Fund that focuses on engaging Hispanic families in fishing and boating activities. At March 31, 2024 and 2023, the Foundation's net assets were all without donor restrictions.

*Net Assets with Donor Restrictions*: Net assets subject to donor-imposed restrictions. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a 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.

Revenue Recognition: Revenue from government grants is recognized when services are rendered and the Foundation has a contractual right to payment. Included in government grants is \$122,500 and \$116,000 of federal program income for the years ended March 31, 2024 and 2023, respectively, which is recognized when services are rendered.

Contributions received are recorded as without donor restrictions or with donor restriction support depending on the existence and/or nature of any donor restrictions.

Royalties and other revenue are recognized within the period to which they relate.

Donated Services: Donated services are recorded as contributions at the estimated fair value of the services provided only if the services provided require specialized skills provided by individuals possessing those skills, or if the services create or enhance a nonfinancial asset. A number of industry companies have donated significant amounts of volunteer time for the benefit of the Foundation's programs, activities, and general marketing campaigns which do not meet the criteria for recognition.

**RECREATIONAL BOATING AND FISHING FOUNDATION**  
**Notes to Financial Statements**  
**March 31, 2024 and 2023**

**Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)**

Functional Allocation of Expenses: The costs of the Foundation's programs and administration have been summarized on a functional basis in the accompanying statements of activities and by natural classification in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs that cannot be specifically identified with a particular function and that benefit more than one functional category are allocated based on the time expended by the staff on the various functions.

Income Taxes: The Foundation is exempt from federal and state income taxes under Internal Revenue Code §501(c)(3). Income that is not related to exempt purposes, less applicable deductions, is subject to federal and state income taxes. The Foundation did not incur any unrelated business income for the years ended March 31, 2024 and 2023. The Foundation's federal exempt organization tax returns are subject to examination by the IRS, generally for a period of three years after the returns are filed.

Recently Adopted Accounting Standards: The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (ASC 842), which was effective for fiscal years beginning after December 15, 2021. The distinction between finance leases and operating leases is substantially similar to the distinction between capital leases and operating leases in the previous guidance for leases. Lessor accounting is also largely unchanged. For lessees, leases under both categories will be reported on the statement of financial position as a depreciable right-of-use asset (ROU) and a related liability to make lease payments. The asset and liability should be initially measured at the present value of the lease payments, including any payments to be made in lease option periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. The ROU assets will be amortized over the term of the lease and the lease liability will be reduced by lease payments. The Foundation adopted ASC 842 effective April 1, 2022.

The FASB issued ASU ASC 326, *Financial Instruments - Credit Losses*, which significantly changed how entities will measure credit losses for most financial assets. The most significant change is a shift from the incurred loss model to the expected loss model for estimating the allowance for credit losses. Under this standard, disclosures are required to provide the financial statement users with information for analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Foundation that are subject to the guidance in ASC 326 are grant and other receivables.

The Foundation adopted ASC 326 effective April 1, 2023. The impact of the adoption was not material to the financial statements and primarily resulted in new disclosures only.

Reclassification: Certain amounts previously reported in the financial statements for the year ended March 31, 2023 have been reclassified to conform to the financial statement presentation for the year ended March 31, 2024.

Subsequent Events: In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through June 20, 2024, the date the financial statements were available to be issued. During the period April 1, 2024 through June 20, 2024, the Foundation did not have any material recognizable subsequent events.

**RECREATIONAL BOATING AND FISHING FOUNDATION**  
**Notes to Financial Statements**  
**March 31, 2024 and 2023**

**Note 2: Liquidity and Availability of Funds**

A summary of the financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date comprise the following:

	2024	2023
Cash and cash equivalents	\$ -0-	\$ 11,186
Certificates of deposit	800,616	863,618
Government grant receivable	441,437	5,000
Other receivable	4,860	4,860
Less: Board-designated - George H.W. Bush <i>Vamos a Pescar</i> ™ Education Fund	<u>(252,617)</u>	<u>(301,121)</u>
Financial Assets Available for General Expenditure within one year	<u>\$ 994,296</u>	<u>\$ 583,543</u>

The Foundation manages its liquidity following two guiding principles: operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs. In addition, the Foundation invests cash in excess of daily requirements in certificates of deposit.

**Note 3: Finance Leases**

In September 2022, the Foundation entered into a non-cancellable finance lease agreement for a copier machine. The copier machine is the Foundation's only material underlying asset class under finance lease agreements. The Foundation adopted ASC 842 and recorded a right-of-use asset of \$50,421 which is being amortized over the life of the lease and an off-setting finance lease liability of \$47,312. The lease requires monthly principal and interest payments of \$871 through November 2027.

The Foundation's total finance lease expense for the years ended March 31, 2024 and 2023 consists of the following:

	2024	2023
Amortization of right-of-use assets	\$ 9,604	\$ 4,855
Interest expense	552	375
Total expense	<u>\$ 10,156</u>	<u>\$ 5,230</u>

As of March 31, 2024 and 2023, the right-of-use assets and finance lease liabilities related to finance leases are as follows:

	2024	2023
Finance lease right-of-use assets, net	<u>\$ 35,962</u>	<u>\$ 45,566</u>
Finance lease liabilities:		
Current maturities of finance lease liabilities	\$ 10,029	\$ 9,900
Finance lease liabilities, net of current maturities	<u>27,383</u>	<u>37,412</u>
Total Finance lease liabilities	<u>\$ 37,412</u>	<u>\$ 47,312</u>

**RECREATIONAL BOATING AND FISHING FOUNDATION**  
**Notes to Financial Statements**  
**March 31, 2024 and 2023**

**Note 3: Finance Leases (Continued)**

Other finance lease details are as follows:

	2024	2023
Weighted average remain lease term in years	3.75	4.75
Weighted average discount rate	1.29%	1.29%

As of March 31, 2024, future minimum lease payments under finance leases are as follows:

2025	\$ 10,452
2026	10,452
2027	10,452
2028	6,968
	38,324
Less: Amount representing interest (1.29%)	912
Present value of future minimum lease payments	\$ 37,412

**Note 4: Operating Lease**

Office Lease: The Foundation has a non-cancelable operating lease agreement for office space which expires in October 31, 2028. The lease requires monthly payments which escalate over the term of the lease. The lease provided for a rent free period and a tenant improvement allowance. On April 1, 2022, the Foundation adopted ASC 842 and recorded a right-of-use asset of \$1,178,810, which is being expensed over the life of the lease and an off-setting operating lease liability of \$1,638,877, which were adjusted by the balance of the existing deferred rent liability at March 31, 2022 of \$460,067.

The Foundation's lease expense for the office lease for the year ended March 31, 2024 and 2023 was as follows:

	2024	2023
Fixed office lease	\$ 190,904	\$ 190,903
Variable office lease	8,550	1,175
Short-term lease	7,800	1,200
	\$ 207,254	\$ 193,278



**RECREATIONAL BOATING AND FISHING FOUNDATION**  
**Notes to Financial Statements**  
**March 31, 2024 and 2023**

**Note 4: Operating Lease (Continued)**

As of March 31, 2024 and 2023, the right-of-use asset and operating lease liability related to the operating lease was as follows:

	2024	2023
Operating lease right-of-use assets	<u>\$ 836,374</u>	<u>\$ 1,009,170</u>
Operating lease liabilities:		
Current maturities of operating lease liabilities	\$ 240,240	\$ 230,190
Operating lease liabilities, net of current maturities	<u>948,196</u>	<u>1,188,366</u>
Total operating lease liabilities	<u>\$ 1,188,436</u>	<u>\$ 1,418,556</u>

Other operating lease details are as follows:

	2024	2023
Weighted average remaining lease term in years	4.59	5.59
Weighted average discount rate	1.40%	1.40%

As of March 31, 2024, future minimum lease payments under operating leases are as follows:

2025	\$ 255,055
2026	262,069
2027	269,276
2028	276,681
2029	<u>163,957</u>
Total	1,227,038
Less: Amount representing interest (1.40%)	<u>38,602</u>
Present value of future minimum lease payments	<u>\$ 1,188,436</u>

**Note 5: Retirement Plan**

The Foundation maintains a 401(k) plan covering all employees who have completed 1,000 hours of service during the plan year. Under this plan, participating employees may contribute up to 92% of their salaries up to the statutory dollar limit, and employee deferrals are immediately vested. The Foundation can make matching contributions, the amount of which is discretionary and based on an employee's annual compensation. The Foundation may also make profit sharing contributions at its discretion, which will be allocated among all eligible employees. Employer contributions totaled \$210,555 and \$204,785 for the years ended March 31, 2024 and 2023, respectively.

**RECREATIONAL BOATING AND FISHING FOUNDATION**  
**Notes to Financial Statements**  
**March 31, 2024 and 2023**

**Note 6: Other Matters**

Uninsured Balances: The Foundation maintains its cash balances at one financial institution. Periodically during the year, the Foundation's cash balances may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to significant risk of its cash balances.

Concentrations: Approximately 100% and 99% of the Foundation's support was provided by a Cooperative Agreement with the U.S. Fish and Wildlife Service for the years ended March 31, 2024 and 2023, respectively. Any reduction in the level of support from the U.S. Fish and Wildlife Service could affect the Foundation's program activities.

**RECREATIONAL BOATING AND FISHING FOUNDATION**

**SUPPLEMENTARY INFORMATION**

**MARCH 31, 2024**

**RECREATIONAL BOATING AND FISHING FOUNDATION**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended March 31, 2024**

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Numbers	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of the Interior</b>				
<i>Passed through from U.S. Fish and Wildlife Service</i>				
National Outreach and Communication	15.653	F23AC00806	\$ 311,246	\$ 13,718,577
<b>U.S. Department of Agriculture</b>				
<i>Passed through from U.S. Forest Service</i>				
Partnership Agreements	10.699	23-CS-11132422-095	-0-	10,000
<b>Total Expenditures of Federal Awards</b>			<u>\$ 311,246</u>	<u>\$ 13,728,577</u>

**RECREATIONAL BOATING AND FISHING FOUNDATION**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended March 31, 2024**

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Recreational Boating and Fishing Foundation (Foundation) under programs of the federal government for the year ended March 31, 2024. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3: Indirect Cost Rate**

The Foundation has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance for Federal Assistance Listing Numbers 15.653 and 10.699. The Foundation charges all allowable costs directly.

**Note 4: Program Income**

The National Outreach and Communication Program federal expenditures includes \$122,500 of program income.

**Independent Auditor's Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

To the Board of Directors  
Recreational Boating and Fishing Foundation

We have audited, in accordance with the 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, the financial statements of Recreational Boating and Fishing Foundation (a nonprofit organization), which comprise the statement of financial position as of March 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 20, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Recreational Boating and Fishing Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Recreational Boating and Fishing Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of Recreational Boating and Fishing Foundation's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Independent Auditor's Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards (Continued)**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Recreational Boating and Fishing Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Recreational Boating and Fishing Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Gross, Mendelson & Associates, P.A.*

Baltimore, Maryland  
June 20, 2024

**Independent Auditor's Report on Compliance for Each Major  
Program and on Internal Control over Compliance  
Required by the Uniform Guidance**

To the Board of Directors  
Recreational Boating and Fishing Foundation

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Recreational Boating and Fishing Foundation's (Foundation) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended March 31, 2024. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Foundation's federal programs.



**Independent Auditor's Report on Compliance for Each Major  
Program and on Internal Control over Compliance  
Required by the Uniform Guidance (Continued)**

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Independent Auditor's Report on Compliance for Each Major  
Program and on Internal Control over Compliance  
Required by the Uniform Guidance (Continued)**

**Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Gross, Mendelsohn & Associates, P. A.*

Baltimore, Maryland  
June 20, 2024

**RECREATIONAL BOATING AND FISHING FOUNDATION**  
**Schedule of Findings and Questioned Costs**  
**Year Ended March 31, 2024**

**Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Recreational Boating and Fishing Foundation were prepared in accordance with accounting principles generally accepted in the United States of America.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Recreational Boating and Fishing Foundation which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Recreational Boating and Fishing Foundation expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this schedule.
7. The National Outreach and Communication Program (Federal Assistance Listing Number No. 15.653) was tested as a major program.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Recreational Boating and Fishing Foundation was determined to be a low risk auditee as defined by the Uniform Guidance.

**Financial Statement Audit**

No findings were reported.

**Findings and Questioned Costs - Major Federal Award Program Audit**

No findings were reported.

**Summary Schedule of Prior Audit Findings**

No findings were reported in the prior year.

