

Recreational Boating and Fishing Foundation

Financial Statements
Including Uniform Guidance Reports
and Independent Auditors' Report

March 31, 2016 and 2015

Recreational Boating and Fishing Foundation

Financial Statements
March 31, 2016 and 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Recreational Boating and Fishing Foundation

We have audited the accompanying financial statements of the Recreational Boating and Fishing Foundation ("the Foundation") which comprise the statements of financial position as of March 31, 2016 and 2015, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of March 31, 2016 and 2015, 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.

Supplementary and Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information as of and for the years ended March 31, 2016 and 2015 included on pages 12-13 is presented for purposes of additional analysis and is not a required part of the financial statements. 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* (Uniform Guidance), is presented for purposes of additional analysis and are 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 information 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 10, 2016, on our consideration of the 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 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 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 the Foundation's internal control over financial reporting and compliance.



Vienna, Virginia
June 10, 2016

Recreational Boating and Fishing Foundation

Statements of Financial Position March 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	\$ 829,290	\$ 725,748
Government grant receivable	4,634,710	3,943,039
Other receivables	-	1,382
Prepaid expenses	28,490	675,206
Deposits	17,785	17,785
Property and equipment, net	170,736	213,420
Total assets	<u>\$ 5,681,011</u>	<u>\$ 5,576,580</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 146,626	\$ 184,246
Accrued expenses	96,025	64,993
Deferred rent and lease incentives	308,760	343,944
Total liabilities	<u>551,411</u>	<u>593,183</u>
Net Assets		
Unrestricted:		
Undesignated	4,967,157	4,783,364
Board-designated	162,443	200,033
Total net assets	<u>5,129,600</u>	<u>4,983,397</u>
Total liabilities and net assets	<u>\$ 5,681,011</u>	<u>\$ 5,576,580</u>

Recreational Boating and Fishing Foundation

Statements of Activities
For the Years Ended March 31, 2016 and 2015

	2016	2015
Unrestricted Revenue and Support		
Government grant	\$ 12,829,304	\$ 11,088,630
Sponsorships and other revenue	143,130	152,346
Contributions	19,517	186,413
Interest	4,923	551
	<hr/>	<hr/>
Total unrestricted revenue and support	12,996,874	11,427,940
	<hr/>	<hr/>
Expenses		
Program services:		
Consumer engagement	10,406,002	7,855,905
State engagement	1,262,343	1,742,031
Industry engagement	390,099	733,474
	<hr/>	<hr/>
Total program services	12,058,444	10,331,410
	<hr/>	<hr/>
Management, office operations	792,227	901,363
	<hr/>	<hr/>
Total expenses	12,850,671	11,232,773
	<hr/>	<hr/>
Change in Net Assets	146,203	195,167
	<hr/>	<hr/>
Net Assets, beginning of year	4,983,397	4,788,230
	<hr/>	<hr/>
Net Assets, end of year	\$ 5,129,600	\$ 4,983,397
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See accompanying notes.

Recreational Boating and Fishing Foundation

Statements of Cash Flows For the Years Ended March 31, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities		
Change in net assets	\$ 146,203	\$ 195,167
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	42,684	42,684
Change in operating assets and liabilities:		
(Increase) decrease in:		
Government grant receivable	(691,671)	439,601
Other receivables	1,382	(1,382)
Prepaid expenses	646,716	(221,794)
Increase (decrease) in:		
Accounts payable	(37,620)	117,502
Accrued expenses	31,032	(1,436)
Deferred rent and lease incentives	(35,184)	(47,059)
Net cash provided by operating activities	<u>103,542</u>	<u>523,283</u>
Net Increase in Cash and Cash Equivalents	103,542	523,283
Cash and Cash Equivalents, beginning of year	<u>725,748</u>	<u>202,465</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 829,290</u></u>	<u><u>\$ 725,748</u></u>

Recreational Boating and Fishing Foundation

Notes to Financial Statements
March 31, 2016 and 2015

1. Nature of Operations

The accompanying financial statements include the assets, liabilities and net assets, and results of activities of the Recreational Boating and Fishing Foundation (“the Foundation”), a not-for-profit corporation. The 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.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Foundation’s financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions. Unrestricted net assets represent funds that are not subject to donor-imposed stipulations and are available for support of the Foundation’s operations. Included in unrestricted net assets at March 31, 2016 and 2015 is \$162,443 and \$200,033, respectively, of Board-designated funds, which represent amounts set aside for the George H.W. Bush *Vamos A Pescar*™ Education Fund. At March 31, 2016 and 2015, all net assets are unrestricted.

Use of Estimates

The preparation of 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash Equivalents

The Foundation considers as cash equivalents all short-term, highly liquid investments with original maturities of 90 days or less that are easily convertible to known amounts of cash.

Recreational Boating and Fishing Foundation

Notes to Financial Statements
March 31, 2016 and 2015

2. Summary of Significant Accounting Policies (continued)

Government Grant Receivable

Government grant receivable consists of amounts to be reimbursed to the Foundation for expenses incurred under its Cooperative Agreement with the U.S. Fish and Wildlife Service. The entire amount of the grant receivable is expected to be collected within one year, and is recorded at net realizable value. No allowance for doubtful accounts is recorded, as management believes that all amounts are fully collectible.

Property and Equipment

Property and equipment acquisitions with a cost in excess of \$5,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the individual assets, which range from three to five years. Leasehold improvements are stated at cost, and are amortized using the straight-line method over the shorter of their estimated useful lives or the term of the lease. Repairs and maintenance costs are expensed as incurred.

Revenue Recognition

Government grants that are cost reimbursable in nature are recognized as revenue as the related expenditures are incurred. Costs incurred in excess of cash received are reflected as government grant receivable in the accompanying statements of financial position.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Foundation reports contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. However, restrictions met in the same accounting period in which the related contribution was received are treated as unrestricted.

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

Recreational Boating and Fishing Foundation

Notes to Financial Statements
March 31, 2016 and 2015

2. Summary of Significant Accounting Policies (continued)

Donated Services

A number of industry companies have donated significant amounts of volunteer time for the benefit of the Foundation's programs and activities, as well as conducting general industry marketing campaigns that indirectly benefit the Foundation's mission. However, these donated services are not reflected in the accompanying financial statements since they do not meet the criteria for recognition under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605-25-16, *Contributed Services*.

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. Accordingly, certain costs have been allocated among the programs or functions benefited.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through June 10, 2016, the date the financial statements were available to be issued.

3. Concentrations of Risk

Credit Risk

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist of cash and cash equivalents. The Foundation maintains various cash deposit and transaction accounts with financial institutions, which from time to time, may exceed insurable limits under the Federal Depository Insurance Corporation (FDIC). The Foundation has not experienced any credit losses on its cash and cash equivalents to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Revenue Risk

Most 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, 2016 and 2015. 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

Notes to Financial Statements
March 31, 2016 and 2015

4. Prepaid Expenses

Prepaid expenses consist of the following at March 31:

	2016	2015
Prepaid media expenses	\$ -	\$ 86,090
Prepaid professional fees	-	534,675
Other prepaid expenses	28,490	54,441
Total prepaid expenses	<u>\$ 28,490</u>	<u>\$ 675,206</u>

5. Property and Equipment

Property and equipment consists of the following at March 31:

	2016	2015
Computers	\$ 22,353	\$ 22,353
Office furniture	168,268	168,268
Leasehold improvements	426,840	426,840
Total property and equipment	617,461	617,461
Less: accumulated depreciation and amortization	<u>(446,725)</u>	<u>(404,041)</u>
Property and equipment, net	<u>\$ 170,736</u>	<u>\$ 213,420</u>

6. Commitments and Contingencies

Operating Leases

The Foundation leases office space in Alexandria, Virginia under the terms of an operating lease that commenced on May 1, 2010 and expires on September 30, 2020. The terms of the lease contain provisions for a free rent period and future rent increases of nearly 3% per year. In addition, the Foundation was provided a build-out allowance totaling \$426,840 as an incentive to lease the office space.

Recreational Boating and Fishing Foundation

Notes to Financial Statements
March 31, 2016 and 2015

6. Commitments and Contingencies (continued)

Operating Leases (continued)

Other lease provisions include termination fees in the event the Foundation elects to cancel the lease prior to the expiration date and the Foundation's proportionate share of real estate taxes and operating expenses, which are not included in base rental payments.

The effects of the scheduled rent increases and paid leasehold improvement costs are being recognized over the life of the lease on a straight-line basis. The difference between rent expense recorded and the required lease payments is reflected as deferred rent and lease incentives in the accompanying statements of financial position.

In addition, the Foundation leases equipment under operating leases with restrictive cancellation clauses, which are set to expire in various years through 2018. Office and equipment rent expense totaled \$209,747 and \$193,322 for the years ended March 31, 2016 and 2015, respectively.

Future minimum lease payments on all leases are as follows for the years ending March 31:

2017	\$	247,887
2018		254,717
2019		261,724
2020		268,945
2021		136,304
		<hr/>
Future minimum lease payments	\$	<u>1,169,577</u>

Government Grant

The funds that the Foundation receives from the U.S. Fish and Wildlife Service are subject to audit under the provisions of the Cooperative Agreement. The ultimate determination of amounts received under the U.S. Government grant is based upon the allowance of costs reported to and accepted by the oversight agency. Until the grant is closed out, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability exists.

Recreational Boating and Fishing Foundation

Notes to Financial Statements
March 31, 2016 and 2015

6. Commitments and Contingencies (continued)

Employment Agreement

The Foundation has a signed employment agreement with the President and Chief Executive Officer, which contains terms that require a severance payment upon the occurrence of certain contractual events.

7. Retirement Plan

The Foundation maintains a qualified Section 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 contributions in its discretion, which will be allocated among all eligible employees. Employer contributions totaled \$149,299 and \$180,836 for the years ended March 31, 2016 and 2015, respectively.

8. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Foundation is exempt from federal and state income taxes other than unrelated business income. At March 31, 2016 and 2015, no income tax provision was made, as the Foundation did not have any net unrelated business income.

Management has evaluated the Foundation's tax positions and has concluded that the Foundation has taken no uncertain tax positions that qualify for either recognition or disclosure in the accompanying financial statements.

SUPPLEMENTARY INFORMATION

Recreational Boating and Fishing Foundation

Schedule of Functional Expenses
For the Year Ended March 31, 2016

	Program Services				Management, Office Operations	Total
	Consumer Engagement	State Engagement	Industry Engagement	Total Program Services		
Professional fees – consulting	\$ 8,902,888	\$ 483,762	\$ 45,427	\$ 9,432,077	\$ 45,532	\$ 9,477,609
Salaries	742,240	233,383	131,972	1,107,595	402,504	1,510,099
Subgrants and agreements	-	173,659	-	173,659	-	173,659
Rent and utilities	103,095	32,416	18,330	153,841	55,906	209,747
Travel	32,229	77,431	35,400	145,060	49,500	194,560
Personnel benefits	160,578	50,673	29,200	240,451	84,867	325,318
Depreciation and amortization	20,980	6,597	3,730	31,307	11,377	42,684
Pension plan	73,383	23,074	13,048	109,505	39,794	149,299
Payroll taxes	52,452	16,265	9,275	77,992	28,534	106,526
Sponsorships and event costs	38,000	35,335	81,000	154,335	-	154,335
Meetings	32,931	102,323	5,140	140,394	15,677	156,071
Professional fees – accounting and legal	23,258	937	530	24,725	20,204	44,929
Printing and publication	456	432	2,377	3,265	37	3,302
Temporary services	44,480	-	-	44,480	-	44,480
Postage and copying	5,413	1,700	961	8,074	2,933	11,007
Telephone – local and long distance	5,381	1,685	953	8,019	2,906	10,925
Staff development	2,447	769	435	3,651	1,327	4,978
Office supplies	3,587	1,267	845	5,699	1,945	7,644
Equipment rental	655	206	116	977	355	1,332
FedEx/UPS/messenger	2,881	2,219	1,643	6,743	167	6,910
Dues and subscriptions	88,735	6,710	3,794	99,239	11,572	110,811
Advertising	175	55	31	261	95	356
Insurance	5,863	1,843	1,042	8,748	3,179	11,927
Non-capitalized equipment	1,002	315	178	1,495	543	2,038
Fulfillment – shipping	6,103	-	-	6,103	-	6,103
Fulfillment – storage	4,764	-	-	4,764	-	4,764
Taxes	1,188	373	211	1,772	644	2,416
Telephone – internet access	5,572	1,752	991	8,315	3,021	11,336
Repairs and maintenance	4,481	1,409	797	6,687	2,430	9,117
Event registration	-	1,045	335	1,380	-	1,380
Merchandise	26,810	574	-	27,384	-	27,384
Registration fees	11,909	3,745	2,118	17,772	6,458	24,230
Miscellaneous	2,066	389	220	2,675	720	3,395
Total Expenses	\$ 10,406,002	\$ 1,262,343	\$ 390,099	\$ 12,058,444	\$ 792,227	\$ 12,850,671

Recreational Boating and Fishing Foundation

Schedule of Functional Expenses
For the Year Ended March 31, 2015

	Program Services				Management, Office Operations	Total
	Consumer Engagement	State Engagement	Industry Engagement	Total Program Services		
Professional fees – consulting	\$ 6,495,135	\$ 1,274,026	\$ 386,212	\$ 8,155,373	\$ 61,008	\$ 8,216,381
Salaries	627,380	148,571	155,972	931,923	429,873	1,361,796
Rent and utilities	89,063	21,091	22,143	132,297	61,025	193,322
Travel	56,173	76,375	20,764	153,312	47,203	200,515
Personnel benefits	112,857	26,841	29,071	168,769	77,943	246,712
Depreciation and amortization	19,664	4,657	4,889	29,210	13,474	42,684
Pension plan	86,047	19,192	20,346	125,585	55,251	180,836
Payroll taxes	45,931	10,835	11,359	68,125	32,565	100,690
Sponsorships and event costs	11,005	32,891	47,000	90,896	-	90,896
Meetings	29,161	100,098	8,740	137,999	13,155	151,154
Professional fees – accounting and legal	20,826	3,483	3,656	27,965	51,634	79,599
Printing and publication	3,273	590	656	4,519	336	4,855
Temporary services	78,803	-	-	78,803	-	78,803
Postage and copying	4,774	1,339	1,174	7,287	3,237	10,524
Telephone – local and long distance	3,878	918	964	5,760	2,657	8,417
Staff development	7,705	1,825	1,916	11,446	5,279	16,725
Office supplies	4,055	612	735	5,402	1,770	7,172
Equipment rental	819	194	203	1,216	561	1,777
FedEx/UPS/messenger	3,675	1,229	841	5,745	376	6,121
Dues and subscriptions	89,918	6,146	6,452	102,516	17,784	120,300
Advertising	3,363	797	836	4,996	2,304	7,300
Insurance	6,072	1,438	1,510	9,020	4,161	13,181
Non-capitalized equipment	4,855	1,150	1,207	7,212	3,326	10,538
Fulfillment – shipping	629	-	-	629	-	629
Fulfillment – storage	4,984	-	-	4,984	-	4,984
Taxes	1,634	387	406	2,427	1,120	3,547
Telephone – internet access	5,098	1,207	1,268	7,573	3,494	11,067
Repairs and maintenance	1,264	299	315	1,878	867	2,745
Event registration	3,139	1,437	654	5,230	150	5,380
Merchandise	15,771	669	265	16,705	-	16,705
Website hosting	15,118	3,579	3,757	22,454	10,355	32,809
Miscellaneous	3,836	155	163	4,154	455	4,609
Total Expenses	\$ 7,855,905	\$ 1,742,031	\$ 733,474	\$ 10,331,410	\$ 901,363	\$ 11,232,773

**SUPPLEMENTARY SCHEDULE AND REPORTS REQUIRED
BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITORS' 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 of
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 the Recreational Boating and Fishing Foundation ("the Foundation"), which comprise the statement of financial position as of March 31, 2016, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 10, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting ("internal control") to determine the 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 the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia
June 10, 2016

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Recreational Boating and Fishing Foundation

Report on Compliance for Each Major Federal Program

We have audited the Recreational Boating and Fishing Foundation's ("the Foundation") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Foundation's major federal program for the year ended March 31, 2016. The Foundation's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statues, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Foundation's major federal programs based on our audit of the types of compliance requirements referred to above. 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Foundation's compliance.

Opinion on the Major Federal Program

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 its major federal program for the year ended March 31, 2016.

Report on Internal Control Over Compliance

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



Vienna, Virginia
June 10, 2016

Recreational Boating and Fishing Foundation

Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Agency or Pass-Through Grant Number	Federal CFDA Number	Expenditures
<u>United States Department of Interior</u>			
U.S. Fish and Wildlife Service:			
National Outreach and Communications Program	F13AC00158	15.653	<u>\$ 12,829,304</u>
Total expenditures of federal awards			<u><u>\$ 12,829,304</u></u>

See accompanying notes to this schedule.

Recreational Boating and Fishing Foundation

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2016

1. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented on the accrual basis of accounting. Consequently, amounts are recorded as expenditures when the obligations are incurred.

Expenses are recognized as incurred using the cost accounting principles contained in the U.S. Federal Acquisition Regulations. Under those cost principles, certain types of expenses are not allowable or are limited as to reimbursement. Moreover, expenses include a portion of costs associated with general activities (indirect costs), which are allocated to the federal award, which are approved by the federal agency on an annual basis.

2. Subrecipients

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, \$173,659 was provided to subrecipients.

Recreational Boating and Fishing Foundation

Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2016

Section I – Summary of Independent Auditors’ Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over the major program:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditors’ report issued on compliance for the major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____ Yes X No

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
15.653	National Outreach and Communications Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Recreational Boating and Fishing Foundation

Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2016

Section II – Financial Statement Findings

There were no financial statement findings reported during the 2016 audit.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs reported during the 2016 audit.

Recreational Boating and Fishing Foundation

Schedule of Prior Audit Findings
For the Year Ended March 31, 2016

There were no findings or questioned costs reported for the 2015 audit.