

**RECREATIONAL BOATING
AND FISHING FOUNDATION**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

MARCH 31, 2022 AND 2021

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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, 2022 and 2021, 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, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 21, 2022, 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 21, 2022

RECREATIONAL BOATING AND FISHING FOUNDATION
Statements of Financial Position
March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 989,766	\$ 958,210
Prepaid expenses	499,020	400,152
Total Current Assets	<u>1,488,786</u>	<u>1,358,362</u>
Property		
Leasehold improvements	555,504	555,504
Office furniture	57,174	57,174
Computers	10,371	10,371
Total Cost	<u>623,049</u>	<u>623,049</u>
Less: Accumulated depreciation	<u>532,983</u>	<u>516,660</u>
Net Property	<u>90,066</u>	<u>106,389</u>
Other Assets		
Security deposits	<u>17,785</u>	<u>17,785</u>
Total Assets	<u>\$ 1,596,637</u>	<u>\$ 1,482,536</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 265,138	\$ 399,427
Government grant advance	370,704	73,225
Deferred rent and lease incentives	50,681	44,216
Total Current Liabilities	<u>686,523</u>	<u>516,868</u>
Non-Current Liabilities		
Deferred rent and lease incentives, net of current portion	<u>409,386</u>	<u>460,067</u>
Total Liabilities	<u>1,095,909</u>	<u>976,935</u>
Commitments (Note 3)		
Net Assets Without Donor Restrictions		
General	160,669	119,199
Board-designated - George H.W. Bush		
<i>Vamos a Pescar</i> ™ Education Fund	340,059	386,402
Total Net Assets Without Donor Restrictions	<u>500,728</u>	<u>505,601</u>
Total Liabilities and Net Assets	<u>\$ 1,596,637</u>	<u>\$ 1,482,536</u>

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

RECREATIONAL BOATING AND FISHING FOUNDATION
Statements of Activities
Years Ended March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Support and Revenue		
Government grants	\$ 14,251,541	\$ 12,968,537
Royalties and other revenue	22,205	14,879
Contributions	24,464	105,114
Interest income	4,247	11,932
	<hr/>	<hr/>
Total Support and Revenue	14,302,457	13,100,462
	<hr/>	<hr/>
Expenses		
Program services:		
Consumer engagement	10,015,276	9,054,868
State engagement	2,063,695	2,651,533
Industry engagement	823,590	561,399
Federal engagement	147,221	12,887
Total program services	13,049,782	12,280,687
Management and general	1,257,548	896,516
	<hr/>	<hr/>
Total Expenses	14,307,330	13,177,203
	<hr/>	<hr/>
Change in Net Assets Without Donor Restrictions	(4,873)	(76,741)
	<hr/>	<hr/>
Net Assets Without Donor Restrictions at Beginning of Year	505,601	582,342
	<hr/>	<hr/>
Net Assets Without Donor Restrictions at End of Year	\$ 500,728	\$ 505,601
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The accompanying notes are an integral part of these financial statements.

RECREATIONAL BOATING AND FISHING FOUNDATION

Statements of Functional Expenses

Years Ended March 31, 2022 and 2021

	2022						
	Consumer Engagement	State Engagement	Industry Engagement	Federal Engagement	Total Program Services	Management and General	Total
Expenses							
Professional fees - consulting	\$ 8,553,549	\$ 438,148	\$ 132,621	\$ 30,811	\$ 9,155,129	\$ 69,875	\$ 9,225,004
Salaries	739,136	421,157	307,502	69,459	1,537,254	676,047	2,213,301
Personnel benefits	177,457	98,200	75,513	18,881	370,051	157,394	527,445
Subgrants and agreements	-0-	364,287	-0-	-0-	364,287	-0-	364,287
Meetings	13,687	316,174	5,600	1,265	336,726	12,312	349,038
Sponsorships and event costs	27,469	50,838	150,611	138	229,056	1,344	230,400
Retirement plan	74,826	42,641	31,117	7,027	155,611	68,450	224,061
Dues and subscriptions	165,785	11,404	20,326	1,881	199,396	18,305	217,701
Rent	64,540	36,774	26,850	6,065	134,229	59,031	193,260
Travel	34,376	72,352	18,754	-0-	125,482	46,224	171,706
Payroll taxes	48,668	27,269	20,317	4,571	100,825	45,445	146,270
Office expense	24,383	81,787	8,465	1,534	116,169	14,943	131,112
Website hosting	19,649	11,196	8,175	1,847	40,867	17,972	58,839
Professional fees - accounting and legal	3,153	1,020	745	168	5,086	35,427	40,513
Non-capitalized equipment	12,296	7,006	5,115	1,155	25,572	11,247	36,819
Staff development	11,409	6,501	4,746	1,072	23,728	10,435	34,163
Merchandise	21,465	106	78	18	21,667	170	21,837
Miscellaneous	11,651	1,343	1,306	221	14,521	2,155	16,676
Grant agreements	-0-	65,785	-0-	-0-	65,785	-0-	65,785
Depreciation	5,451	3,106	2,268	512	11,337	4,986	16,323
Insurance	5,041	2,873	2,097	474	10,485	4,611	15,096
Event registration	50	3,024	870	5	3,949	46	3,995
Tax expense (refund)	740	422	308	70	1,540	676	2,216
Repairs and maintenance	495	282	206	47	1,030	453	1,483
Total Expenses	\$ 10,015,276	\$ 2,063,695	\$ 823,590	\$ 147,221	\$ 13,049,782	\$ 1,257,548	\$ 14,307,330

2021

Consumer Engagement	State Engagement	Industry Engagement	Federal Engagement	Total Program Services	Management and General	Total	Increase (Decrease)
\$ 7,442,249	\$ 655,980	\$ 57,110	\$ 75	\$ 8,155,414	\$ 40,111	\$ 8,195,525	\$ 1,029,479
915,751	441,178	259,740	7,944	1,624,613	510,175	2,134,788	78,513
235,376	111,855	66,751	1,870	415,852	128,055	543,907	(16,462)
-0-	1,101,742	-0-	-0-	1,101,742	-0-	1,101,742	(737,455)
10,139	4,953	2,876	88	18,056	5,649	23,705	325,333
7,500	17,000	82,500	-0-	107,000	-0-	107,000	123,400
88,726	42,891	25,243	784	157,644	53,737	211,381	12,680
115,200	12,342	6,354	194	134,090	12,479	146,569	71,132
81,380	39,207	23,082	706	144,375	45,338	189,713	3,547
-0-	-0-	-0-	-0-	-0-	-0-	-0-	171,706
60,643	29,219	16,896	583	107,341	33,381	140,722	5,548
23,407	10,075	5,838	179	39,499	11,464	50,963	80,149
24,903	11,998	7,063	216	44,180	13,874	58,054	785
10,955	577	339	10	11,881	26,998	38,879	1,634
7,216	5,252	2,046	63	14,577	4,020	18,597	18,222
7,710	3,714	2,187	67	13,678	4,295	17,973	16,190
5,358	425	-0-	-0-	5,783	-0-	5,783	16,054
7,636	846	498	15	8,995	968	9,963	6,713
-0-	155,516	-0-	-0-	155,516	-0-	155,516	(89,731)
7,002	3,373	1,986	61	12,422	3,901	16,323	-0-
6,149	2,962	1,744	53	10,908	3,426	14,334	762
-0-	1,600	(164)	-0-	1,436	-0-	1,436	2,559
(2,432)	(1,172)	(690)	(21)	(4,315)	(1,355)	(5,670)	7,886
-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,483
\$ 9,054,868	\$ 2,651,533	\$ 561,399	\$ 12,887	\$ 12,280,687	\$ 896,516	\$ 13,177,203	\$ 1,130,127

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

RECREATIONAL BOATING AND FISHING FOUNDATION
Statements of Cash Flows
Years Ended March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in net assets without donor restrictions	\$ (4,873)	\$ (76,741)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	16,323	16,323
Changes in operating assets and liabilities:		
Other receivables	-0-	4,058
Prepaid expenses	(98,868)	110,286
Accounts payable and accrued expenses	(134,289)	171,762
Government grant advance	297,479	(250,611)
Deferred rent and lease incentives	(44,216)	90,311
Net Cash Provided by Operating Activities	<u>31,556</u>	<u>65,388</u>
Net Increase in Cash and Cash Equivalents	31,556	65,388
Cash and Cash Equivalents at Beginning of Year	<u>958,210</u>	<u>892,822</u>
Cash and Cash Equivalents at End of Year	<u>\$ 989,766</u>	<u>\$ 958,210</u>

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

RECREATIONAL BOATING AND FISHING FOUNDATION
Notes to Financial Statements
March 31, 2022 and 2021

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.

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.

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 each of the years ended March 31, 2022 and 2021 was \$16,323.

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. At March 31, 2022 and 2021, the Foundation’s net assets were all without donor restrictions.

RECREATIONAL BOATING AND FISHING FOUNDATION
Notes to Financial Statements
March 31, 2022 and 2021

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

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 \$86,000 and \$83,000 of federal program income for the years ended March 31, 2022 and 2021, 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.

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 proportion of expenses in each program.

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, 2022 and 2021. 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.

Recent Accounting Pronouncements: The Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases*, which will be 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 on 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-to-use asset 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 payments to be made in optional 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 asset will be depreciated and the liability will be reduced by lease payments. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and liabilities. Management has elected not to early adopt the standard and will assess the future impact of any leases on the financial statements.

RECREATIONAL BOATING AND FISHING FOUNDATION
Notes to Financial Statements
March 31, 2022 and 2021

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

Subsequent Events: In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through June 21, 2022, the date the financial statements were available to be issued. During the period April 1, 2022 through June 21, 2022, the Foundation did not have any material recognizable subsequent events.

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:

	2022	2021
Financial Assets Available for General Expenditure - Cash and cash equivalents	\$ 649,707	\$ 571,808

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: Operating Lease

The Foundation leases office space in Alexandria, Virginia, under the terms of an operating lease that commenced on May 1, 2010. The original terms of the lease contain provisions for a free rent period and future rent increases of 2.75% per year. In addition, the Foundation was provided a build-out allowance totaling \$426,840 as an incentive to lease the office space.

In November 2018, the lease was amended and expires in October 2028. The amended lease includes additional provisions for a free rent period and amended monthly rental payments. The amended rental payments include increases of 2.75% per year. Under the amended lease agreement, the Foundation was provided a tenant improvement allowance of \$288,760 which was utilized during the year ended March 31, 2020. The tenant improvement allowance was utilized for leasehold improvements of \$128,664 in fiscal year 2020 and \$128,234 was utilized as a credit against future rent. The remaining tenant improvement allowance was utilized towards the purchase of office equipment and furniture in accordance with the amended lease agreement.

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 expense, 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.

Office rent expense totaled \$193,260 and \$189,713 for the years ended March 31, 2022 and 2021, respectively.

RECREATIONAL BOATING AND FISHING FOUNDATION
Notes to Financial Statements
March 31, 2022 and 2021

Note 3: Operating Lease (Continued)

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

2023	\$ 241,585
2024	248,229
2025	255,055
2026	262,069
2027	269,276
2028 and thereafter	<u>440,638</u>
	<u>\$ 1,716,852</u>

Note 4: 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 \$224,061 and \$211,381 for the years ended March 31, 2022 and 2021, respectively.

Note 5: 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 98% and 97% 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, 2022 and 2021, respectively. Any reduction in the level of support from the U.S. Fish and Wildlife Service could affect the Foundation's program activities.

National Health Emergency: In March 2020, the President of the United States declared a national emergency due to a viral pandemic. The declaration of the national emergency and similar declarations made by various states, and the outbreak of the virus itself, have had far reaching social, economic, and financial impacts on the United States going forward. The pandemic continues and at this time, the impact on the operation and financial status of the Foundation cannot be determined.

RECREATIONAL BOATING AND FISHING FOUNDATION

SUPPLEMENTARY INFORMATION

MARCH 31, 2022

RECREATIONAL BOATING AND FISHING FOUNDATION
Schedule of Expenditures of Federal Awards
Year Ended March 31, 2022

Federal Grantor / Pass-Through Grantor / Program Title	Pass-Through Entity Identifying Numbers	Federal Assistance Listing Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Interior				
<i>Passed through from U.S. Fish and Wildlife Service</i>				
National Outreach and Communication	F18AC00145	15.653	\$ 324,287	\$ 14,039,967
Multistate Conservation Grant	F20AP00169	15.628	-0-	42,386
Multistate Conservation Grant	F20AP00170	15.628	40,000	75,997
			40,000	118,383
<i>Passed through from National Park Service</i>				
National Park Service Conservation, Protection, Outreach and Education	P21AC10446	15.954	-0-	93,191
Total Expenditures of Federal Awards			\$ 364,287	\$ 14,251,541

RECREATIONAL BOATING AND FISHING FOUNDATION
Notes to Schedule of Expenditures of Federal Awards
Year Ended March 31, 2022

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, 2022. 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 Number 15.653.

**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 30, 2022, 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 21, 2022.

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, Mendelsohn & Associates, P.A.

Baltimore, Maryland
June 21, 2022

**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, 2022. 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, 2022.

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 21, 2022

RECREATIONAL BOATING AND FISHING FOUNDATION
Schedule of Findings and Questioned Costs
Year Ended March 31, 2022

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.

