



Yakima Basin Fish & Wildlife Recovery Board

**Financial Statements and Independent
Auditor's Report**

June 30, 2024 and 2023

Yakima Basin Fish & Wildlife Recovery Board

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Yakima Basin Fish & Wildlife Recovery Board
Yakima, Washington

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Yakima Basin Fish & Wildlife Recovery Board, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in financial position, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Yakima Basin Fish & Wildlife Recovery Board as of June 30, 2024 and 2023, and the results of its operations 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 (GAAS). 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 Yakima Basin Fish & Wildlife Recovery Board and to meet 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 Yakima Basin Fish & Wildlife Recovery Board's ability to continue as a going concern for the period of one year from the date of this report.

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 GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, 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 Yakima Basin Fish & Wildlife Recovery Board'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 Yakima Basin Fish & Wildlife Recovery Board'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 I identified during the audit.

Bailey CPA, LLC

January 24, 2025

Yakima Basin Fish & Wildlife Recovery Board

Statements of Financial Position

June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 37,868	\$ 74,565
Prepaid expenses	2,065	5,694
Accounts receivable	37,635	12,926
<i>Total Current Assets</i>	77,568	93,185
Non-current Assets		
Right-of-Use Asset - Operating Lease	102,567	-
Property and Equipment, net	7,314	9,146
<i>Total Non-current Assets</i>	109,881	9,146
Total Assets	\$ 187,449	\$ 102,331
 Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 16,579	\$ 13,732
Accrued expenses	24,576	29,375
Refundable advance	-	40,321
Operating lease liability	17,549	-
<i>Total Current Liabilities</i>	58,704	83,428
Operating Lease Liability, less current portion	84,232	-
Total Liabilities	142,936	83,428
Net Assets		
Without donor restrictions	44,513	18,124
With donor restrictions	-	779
Total Net Assets	44,513	18,903
Total Liabilities and Net Assets	\$ 187,449	\$ 102,331

Yakima Basin Fish & Wildlife Recovery Board

Statement of Activities and Changes in Financial Position

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Washington State Recreation and Conservation Office Grant	\$ 416,197	\$ -	\$ 416,197
Bureau of Land Management Grant	140,533	-	140,533
Department of Ecology Grant	32,215	-	32,215
Reimbursed expenses	4,851	-	4,851
Released from restriction	779	(779)	-
<i>Total revenue</i>	594,575	(779)	593,796
Expenses			
Program	482,088	-	482,088
General and Administrative	71,975	-	71,975
Fundraising	9,121	-	9,121
<i>Total expenses</i>	563,184	-	563,184
Excess of Revenue Over Expenses	31,391	(779)	30,612
Other Income (Expenses):			
Interest expense	(5,031)	-	(5,031)
Interest income	29	-	29
<i>Total other income (expenses)</i>	(5,002)	-	(5,002)
Change in Net Assets	26,389	(779)	25,610
Net Assets, Beginning of Year	18,124	779	18,903
Net Assets, End of Year	\$ 44,513	\$ -	\$ 44,513

Yakima Basin Fish & Wildlife Recovery Board

Statement of Activities and Changes in Financial Position

Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Washington State Recreation and Conservation Office Grant	\$ 383,557	\$ -	\$ 383,557
Bureau of Land Management Grant	61,836	-	61,836
Department of Ecology Grant	18,059	-	18,059
Program income	626.7	-	627
Reimbursed expenses	3,840	-	3,840
Released from restriction	525	(525)	-
<i>Total revenue</i>	468,444	(525)	467,919
Expenses			
Program	346,684	-	346,684
General and Administrative	110,314	-	110,314
Fundraising	9,758	-	9,758
<i>Total expenses</i>	466,756	-	466,756
Excess of Revenue Over Expenses	1,688	(525)	1,163
Other Income (Expenses):			
Interest expense	(189)	-	(189)
Interest income	12	-	12
Loss on disposal of equipment	(1,239)	-	(1,239)
<i>Total other income (expenses)</i>	(1,416)	-	(1,416)
Change in Net Assets	272	(525)	(253)
Net Assets, Beginning of Year	17,852	1,304	19,156
Net Assets, End of Year	\$ 18,124	\$ 779	\$ 18,903

Yakima Basin Fish & Wildlife Recovery Board

Statement of Functional Expenses

Year Ended June 30, 2024

Expenses	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Computer support	\$ 366	\$ 123	\$ 17	\$ 506
Depreciation	1,800	607	85	2,492
Dues and subscriptions	3,406	1,407	-	4,813
Employee benefits	23,622	7,971	1,121	32,714
Employee payroll taxes	12,632	4,263	600	17,495
Insurance	2,960	999	141	4,100
Miscellaneous	493	166	23	682
Office rent	19,973	6,740	948	27,661
Office supplies	7,566	2,553	359	10,478
Printing and reproduction	94	32	4	130
Professional fees	24,838	5,000	-	29,838
Program expenses	208,969	-	-	208,969
Repair and maintenance	35	12	2	49
Seminar registration fees	1,105	-	-	1,105
Travel	6,487	721	-	7,208
Utilities	5,444	1,837	258	7,539
Wages	162,298	39,544	5,563	207,405
<i>Total expenses</i>	<u>\$ 482,088</u>	<u>\$ 71,975</u>	<u>\$ 9,121</u>	<u>\$ 563,184</u>

Yakima Basin Fish & Wildlife Recovery Board

Statement of Functional Expenses

Year Ended June 30, 2023

Expenses	Program Services	General and Administrative	Fundraising	Total
Advertising	\$ 21	\$ 13	\$ 1	\$ 35
Computer support	983	602	57	1,642
Depreciation	1,665	1,020	97	2,782
Dues and subscriptions	1,980	1,554	-	3,534
Employee benefits	25,478	15,596	1,480	42,554
Employee payroll taxes	11,308	6,922	657	18,887
Insurance	2,275	1,393	132	3,800
Miscellaneous	1,201	736	70	2,007
Office rent	17,279	10,577	1,004	28,860
Office supplies	2,811	1,720	163	4,694
Printing and reproduction	1,671	1,023	97	2,791
Professional fees	25,103	5,000	-	30,103
Program expenses	75,709	-	-	75,709
Seminar registration fees	2,376	-	-	2,376
Travel	8,327	925	-	9,252
Utilities	6,025	3,688	350	10,063
Wages	162,472	59,545	5,650	227,667
<i>Total expenses</i>	\$ 346,684	\$ 110,314	\$ 9,758	\$ 466,756

Yakima Basin Fish & Wildlife Recovery Board

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	2023
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows From Operating Activities:		
Change in net assets	\$ 25,610	\$ (253)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	2,492	2,782
Amortization of right-of-use asset - operating lease	15,987	
Loss on disposition of equipment	-	1,239
<i>Decrease (increase) in operating assets</i>		
Accounts receivable	(24,709)	7,330
Prepaid expenses	3,629	1,241
<i>Increase (decrease) in operating liabilities</i>		
Accounts payable	2,847	(2,482)
Accrued expenses	(4,799)	(1,618)
Refundable advance	(40,321)	449
Operating lease liability	(16,773)	-
<i>Net cash from operating activities</i>	<u>(36,037)</u>	<u>8,688</u>
Cash Flows From Investing Activities:		
Additions to property and equipment	(660)	(2,938)
<i>Net cash from investing activities</i>	<u>(660)</u>	<u>(2,938)</u>
Cash Flows From Financing Activities:		
Proceeds (payments) on line of credit	-	(104)
<i>Net cash from financing activities</i>	<u>-</u>	<u>(104)</u>
Net Change in Cash and Cash Equivalents	(36,697)	5,646
Cash and Cash Equivalents, Beginning of Year	74,565	68,919
Cash and Cash Equivalents, End of year	<u>\$ 37,868</u>	<u>\$ 74,565</u>
Interest paid		
Line of credit	120	189
Operating lease	4,911	-
	<u>\$ 5,031</u>	<u>\$ 189</u>

Noncash Investing Activities:

During the year-ended June 30, 2023 the Organization scrapped assets with a cost of \$11,512 and accumulated depreciation of \$10,273.

During the year-ended June 30, 2024 the Organization recognized a right of use asset totaling \$118,554, along with the related operating lease liability

Yakima Basin Fish & Wildlife Recovery Board

Notes to the Financial Statements

Years Ended June 30, 2024 and 2023

Note 1 – Organization

Yakima Basin Fish & Wildlife Recovery Board (the Organization), a Washington State not-for-profit organization, was formed April 5, 2006. The mission of the Organization is to conserve and restore sustainable and harvestable populations of native fish and wildlife species through collaborative, economically sound efforts that bring together diverse resources to promote wise management of the Yakima River Basin.

During the years ended June 30, 2024 and 2023, approximately 76% and 82%, respectively, of revenues received came from the Washington State Recreation and Conservation Office.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting

The Organization's financial statements have been prepared on the accrual basis of accounting. Under this method of accounting revenues are recognized when earned and expenses are recognized when incurred.

Basis of presentation

Financial statement presentation follows U.S. generally accepted accounting principles promulgated by the Financial Accounting Standards Board. Under those principles, the Organization is required to report information regarding its financial position and activities according to the absence or existence of donor-imposed restrictions.

Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents.

Accounts receivable

The Organization's accounts receivable are carried at original invoice amount less an estimate for doubtful accounts. In addition, balances due from governmental agencies as a result of incurring reimbursable costs are recognized as a receivable, although they are unbilled. Management determines the allowance for doubtful accounts by analyzing historical write-offs and applying this historical loss to current year receivable balances, while also identifying accounts with information that indicates they are uncollectible. Receivables are written off when deemed uncollectible. Based on the analysis, management has determined an allowance for doubtful accounts is not necessary.

Property and equipment

It is the Organization's policy to capitalize property and equipment over \$200. Purchased property and equipment is capitalized at cost and depreciated on a straight-line basis over estimated useful lives of 5 to 10 years. Major expenditures for property and those which substantially increase useful lives over certain thresholds, are capitalized. Routine repairs and maintenance are expensed as incurred. Depreciation expense was \$2,492 and \$2,782, respectively, for the years ended June 30, 2024 and 2023.

Yakima Basin Fish & Wildlife Recovery Board

Notes to the Financial Statements

Years Ended June 30, 2024 and 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Property and equipment (continued)

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

The Organization records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets. Management reviews and analyzes fixed assets for potential impairment on an annual basis and no impairment was determined by management at June 30, 2024 and 2023.

Property and equipment consisted of the following as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Machinery and equipment	\$ 24,954	\$ 24,294
Less accumulated depreciation	(17,640)	(15,148)
Net Property and Equipment	<u>\$ 7,314</u>	<u>\$ 9,146</u>

Financial statement presentation

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or based on a particular use. Restrictions may be met by the passage of time or actions of the Organization. Certain restrictions may need to be maintained in perpetuity. Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise required to be included in donor-restricted net assets by the donor or by applicable state law.

Yakima Basin Fish & Wildlife Recovery Board

Notes to the Financial Statements

Years Ended June 30, 2024 and 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Refundable advances and revenue recognition

Contributions and grants (including those from government granting agencies) are recorded when unconditionally pledged as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Revenue from government agencies is subject to audit, which could result in adjustments to revenue. The adjustments are recorded at the time that such amounts can first be reasonably determined, normally upon notification by the government agency. During the years ended June 30, 2024 and 2023 no such adjustments were made.

Conditional promises to give, which include grants with a measurable performance barrier, or a right of return, are not recognized until the conditions on which they depend have been met. This results in advances received on cost reimbursable contracts and grants being reported as refundable advances in the statement of financial position.

The Organization receives funds in advance from the Washington State Recreation and Conservation Office (RCO), this grant includes a right of return if the funds are not expended in accordance with the requirements of the grant. Upon utilization of an advance the Organization provides an accounting to the RCO of the funds spent, and at the end of the contract period (June 30, 2025), must return any unspent funds. At June 30, 2024 and 2023 the Organization held \$-0- and \$40,321, respectively of unspent funds that had been advanced from RCO.

Income Taxes

The Organization has been recognized by the Internal Revenue Service as a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

The Organization follows the guidance of the Financial Accounting Standards Board with regard to financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return, as well as guidance on de-recognition of tax benefits, classification on the statement of financial position, interest and penalties, accounting in interim periods, disclosure, and transition. Management has evaluated the Organization's tax positions and concluded the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

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.

Yakima Basin Fish & Wildlife Recovery Board

Notes to the Financial Statements

Years Ended June 30, 2024 and 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Subsequent events

Subsequent events were evaluated through January 24, 2025, which is the date the financial statements were available to be issued.

Note 3 – Net Assets with Donor Restrictions

During the year-ended June 30, 2021 the Organization was scheduled to host an in-person consortium. Due to the Covid-19 pandemic the event was held in a virtual format, with the in-person portion being rescheduled to a later date. The \$4,001 of sponsorships and registration fees that were received related to this event were restricted for future events, trainings and workshops, with the in-person portions being rescheduled to later dates. The Organization has \$-0- and \$779 restricted for a future event as of June 30, 2024 and 2023, respectively.

Note 4 – Operating Line of Credit

The Organization has a revolving line of credit of \$45,000. The line had an outstanding balance \$-0- at both June 30, 2024 and 2023, respectively. Interest payments are due monthly at an interest rate of 11.25%. The credit line is unsecured.

Note 5 – Retirement Plan

The Organization sponsors a Simple IRA. All permanent staff members working at least 20 hours a week are eligible to participate. Employees may make voluntary contributions up to the maximum allowed by law. The Organization makes a matching contribution up to 3% of the employee's gross pay. Matching contributions for the Simple IRA for the years ended June 30, 2024 and 2023 were \$6,222 and \$6,820.

Note 6 – Functional Expenses

The costs of providing the programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated between the program and supporting services benefited. The expenses that are allocated include salaries and wages, payroll taxes, benefits, and occupancy costs, which are allocated on the basis of time and effort. The methodologies used to allocate expenses on a functional basis are consistent during the periods presented.

Yakima Basin Fish & Wildlife Recovery Board

Notes to the Financial Statements

Years Ended June 30, 2024 and 2023

Note 7 – Operating Lease

The Organization entered into an operating lease for its office space in October of 2013. The lease was renewed in January of 2018 and ended June of 2023. During 2023 the monthly lease payment was \$2,505 a month, including the charge for common area maintenance (CAM) expenses. The lease payments and CAM expenses were \$31,482 for the year ended June 30, 2023, and was recognized as rent expense in the accompanying statements.

Effective July 1, 2023, the Organization entered into an operating lease for their office space with a maturity of June 30, 2029. The lease is noncancellable but includes a right to terminate the lease prior to the end of each two-year period by providing written notice of no less than 120 days to the lessor. The base lease is \$1,807 a month with an annual 2% increase. In addition to the base lease, the Organization is billed for their share of the common area maintenance costs. The Organization has the option to renew the lease for two six-year periods.

The Organization has recognized an operating lease ROU asset and corresponding operating lease liability representing the discounted payments required under the lease through maturity (not taking into account any potential renewals). Operating lease costs under this lease are included under occupancy in the statement of functional expenses.

ROU assets received in exchange for operating lease liabilities totaled \$118,554 during the year ended June 30, 2024.

The Organization has elected to utilize the risk-free interest rate of 4.87%. A maturity analysis of annual undiscounted cash flows for the lease liability as of June 30, 2024, is as follows for the years ending June 30:

	<u>Annual Lease Payments</u>	<u>Imputed Interest</u>	<u>Lease Liability</u>
2025	\$ 22,118	\$ (4,569)	\$ 17,549
2026	22,560	(3,684)	18,876
2027	23,011	(2,733)	20,278
2028	23,471	(1,714)	21,757
2029	23,941	(620)	23,321
	<u>\$ 115,101</u>	<u>\$ (13,320)</u>	<u>\$ 101,781</u>

Operating lease liabilities are presented on the statements of financial position as follows at June 30, 2024:

	<u>2024</u>	<u>2023</u>
Operating lease liability	\$ 17,549	\$ -
Operating Lease Liability, less current portion	84,232	-
Net Property and Equipment	<u>\$ 101,781</u>	<u>\$ -</u>

Yakima Basin Fish & Wildlife Recovery Board

Notes to the Financial Statements

Years Ended June 30, 2024 and 2023

Note 7 – Operating Lease (continued)

The Organization entered into a second lease for an adjoining suite that is sublet to a partner agency. The lease requires monthly payments of \$205.33 a month with an annual 2% increase. The Organization has a right to cancel the lease via written notice of no less than thirty days to the lessor. The Organization recognizes the monthly payments and associated reimbursements on a monthly basis. The total costs incurred for the years ended June 30, 2024 and 2023 were \$3,880 and \$3,840, respectively, which are included as occupancy expense on the statement of functional expenses, and the reimbursements are reflected in the reimbursed expenses line on the statement of activities.

Note 8 – Liquidity

In general, the Organization does not have cash of more than 30 days of operating expenses. This is due to the nature of the Organization's grants and contracts, which requires their draw down to be based on current and approaching cash flow requirements.

At June 30, 2024 and 2023, the Organization had \$37,868 and \$74,565, respectively, of cash available to meet needs for general expenditures (including the refundable advance). These funds are not subject to donor or other contractual restrictions. Accordingly, all such funds are available to meet the cash needs of the Organization in the next 12 months.

To meet immediate cash flow requirements the Organization is allowed to request advances from their granting agency. In addition, they have \$45,000 available to meet operating needs through a revolving line of credit with Wells Fargo as previously described.