Yakima Basin Fish & Wildlife Recovery Board

Financial Statements and Independent Auditors' Report

June 30, 2026 and 2025

Bailey CPA

Yakima Basin Fish & Wildlife Recovery Board
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INDEPENDENT AUDITORS' REPORT

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

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, 2026 and 2025, and the related statements of activities and changes in net assets, 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, 2026 and 2025, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Yakima Basin Fish & Wildlife Recovery Board 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 Yakima Basin Fish & Wildlife Recovery Board's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, including omissions, 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 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 we identified during the audit.



September 21, 2026

Yakima Basin Fish & Wildlife Recovery Board

Statements of Financial Position

June 30, 2026 and 2025

	2026	2025
Assets		
Current Assets		
Cash and cash equivalents	$ 36,816	$ 87,013
Prepaid expenses	9,240	6,703
Accounts receivable	131,825	49,338
Total Current Assets	177,881	143,054
Non-current Assets		
Right-of-use asset - operating lease	65,224	84,338
Property and equipment, net	6,960	9,853
Total Non-current Assets	72,184	94,191
Total Assets	$ 250,065	$ 237,245
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 23,269	$ 24,856
Accrued expenses	43,543	56,693
Refundable advance	-	25,403
Operating lease liability	20,278	18,876
Total Current Liabilities	87,090	125,828
Operating lease liability, less current portion	45,078	65,356
Total Liabilities	132,168	191,184
Net Assets		
Without donor restrictions	99,179	46,061
With donor restrictions	18,718	-
Total Net Assets	117,897	46,061
Total Liabilities and Net Assets	$ 250,065	$ 237,245

Yakima Basin Fish & Wildlife Recovery Board

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Washington State Recreation and Conservation Office grant	$ 404,185	$ -	$ 404,185
Bureau of Land Management grant	126,424	-	126,424
Department of Ecology grant	66,156	-	66,156
Other grants	31,272	18,718	49,990
Sublease income	4,200	-	4,200
Miscellaneous income	930	-	930
Released from restriction	-	-	-
Total revenue	633,167	18,718	651,885
Expenses			
Program	493,401	-	493,401
General and administrative	77,539	-	77,539
Fundraising	9,112	-	9,112
Total expenses	580,052	-	580,052
Excess of Revenue Over Expenses	53,115	18,718	71,833
Other Income (Expenses):			
Interest income	3	-	3
Total other income (expenses)	3	-	3
Change in Net Assets	53,118	18,718	71,836
Net Assets, Beginning of Year	46,061	-	46,061
Net Assets, End of Year	$ 99,179	$ 18,718	$ 117,897

Yakima Basin Fish & Wildlife Recovery Board

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Washington State Recreation and Conservation Office grant	$ 437,662	$ -	$ 437,662
Bureau of Land Management grant	22,708	-	22,708
Department of Ecology grant	71,093	-	71,093
Sublease income	4,200	-	4,200
Released from restriction	-	-	-
Total revenue	535,663	-	535,663
Expenses			
Program	396,912	-	396,912
General and administrative	127,148	-	127,148
Fundraising	9,894	-	9,894
Total expenses	533,954	-	533,954
Excess of Revenue Over Expenses	1,709	-	1,709
Other Income (Expenses):			
Interest expense	(39)	-	(39)
Interest income	4	-	4
Loss on disposition of equipment	(126)	-	(126)
Total other income (expenses)	(161)	-	(161)
Change in Net Assets	1,548	-	1,548
Net Assets, Beginning of Year	44,513	-	44,513
Net Assets, End of Year	$ 46,061	$ -	$ 46,061

Yakima Basin Fish & Wildlife Recovery Board

Statement of Functional Expenses

Year Ended June 30, 2026

	Program Services	General and Administrative	Fundraising	Total
Expenses				
Computer support	$ 1,023	$ 309	$ 40	$ 1,372
Depreciation	2,157	652	84	2,893
Dues and subscriptions	2,926	1,086	-	4,012
Employee benefits	33,467	10,127	1,309	44,903
Employee payroll taxes	15,778	4,774	617	21,169
Insurance	342	103	13	458
Miscellaneous	1,314	397	51	1,762
Office rent	24,894	7,533	974	33,401
Office supplies	6,401	1,937	250	8,588
Printing and reproduction	1,097	332	43	1,472
Professional fees	12,527	5,000	-	17,527
Program expenses	186,707	-	-	186,707
Seminar registration fees	2,106	-	-	2,106
Travel	8,482	943	-	9,425
Utilities	7,163	2,167	280	9,610
Wages	187,017	42,179	5,451	234,647
Total expenses	$ 493,401	$ 77,539	$ 9,112	$ 580,052

Yakima Basin Fish & Wildlife Recovery Board

Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services	General and Administrative	Fundraising	Total
Expenses				
Computer support	$ 395	$ 256	$ 21	$ 672
Depreciation	1,458	947	79	2,484
Dues and subscriptions	3,622	3,058	-	6,680
Employee benefits	22,446	14,595	1,222	38,263
Employee payroll taxes	12,453	8,098	678	21,229
Miscellaneous	1,056	686	57	1,799
Office rent	18,843	12,253	1,026	32,122
Office supplies	4,307	2,801	234	7,342
Printing and reproduction	266	172	14	452
Professional fees	12,887	5,000	-	17,887
Program expenses	109,199	-	-	109,199
Repairs and maintenance	206	134	11	351
Seminar registration fees	432	-	-	432
Travel	7,862	874	-	8,736
Utilities	5,288	3,439	288	9,015
Wages	196,192	74,835	6,264	277,291
Total expenses	$ 396,912	$ 127,148	$ 9,894	$ 533,954

Yakima Basin Fish & Wildlife Recovery Board

Statements of Cash Flows

Years Ended June 30, 2026 and 2025

	2026	2025
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows From Operating Activities:		
Change in net assets	$ 71,836	$ 1,548
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	2,893	2,484
Noncash operating lease cost in excess of lease payments	238	680
Loss on disposition of equipment	-	126
Decrease (increase) in operating assets		
Accounts receivable	(82,487)	(11,703)
Prepaid expenses	(2,537)	(4,638)
Increase (decrease) in operating liabilities		
Accounts payable	(1,587)	8,277
Accrued expenses	(13,150)	32,117
Refundable advance	(25,403)	25,403
Net cash from operating activities	(50,197)	54,294
Cash Flows From Investing Activities:		
Additions to property and equipment	-	(5,149)
Net cash from investing activities	-	(5,149)
Net Change in Cash and Cash Equivalents	(50,197)	49,145
Cash and Cash Equivalents, Beginning of Year	87,013	37,868
Cash and Cash Equivalents, End of Year	$ 36,816	$ 87,013

Noncash Investing Activities:

During the year ended June 30, 2025 the Organization scrapped assets with a cost of $341 and accumulated depreciation of $215.

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, 2026 and 2025, approximately 62% 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.

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

Accounts receivable consist primarily of amounts due from governmental agencies for reimbursable costs incurred, including unbilled amounts, and are recognized as contributions receivable. Management evaluates collectability based on the nature of the grantor and historical experience and has determined that no allowance is necessary at June 30, 2026 or 2025.

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 that substantially increase useful lives are capitalized. Routine repairs and maintenance are expensed as incurred. Depreciation expense was $2,893 and $2,484, respectively, for the years ended June 30, 2026 and 2025.

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 support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions.

Note 2 – Summary of Significant Accounting Policies (continued)

Property and equipment (continued)

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, 2026 and 2025.

Property and equipment consisted of the following as of June 30, 2026 and 2025:

	2026	2025
Machinery and equipment	$ 29,762	$ 29,762
Less accumulated depreciation	(22,802)	(19,909)
Net Property and Equipment	$ 6,960	$ 9,853

Compensated absences

Employees accrue paid time off based on length of service. Accrued but unused paid time off is recorded as a liability and included in accrued expenses, and was $20,716 and $33,389 at June 30, 2026 and 2025, respectively.

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.

The Organization reports contributions with donor restrictions whose restrictions are met in the same reporting period in which the contributions are received as support without donor restrictions. Contributions with donor restrictions that remain unsatisfied at year end are reported as support with donor restrictions and are reclassified to net assets without donor restrictions when the restrictions are satisfied in a subsequent period.

As of June 30, 2026 and 2025 the Organization had $18,718 and $-0- of net assets with donor restrictions, respectively. The $18,718 was restricted by the donor, the National Forest Foundation, for contracted coordination services and other expenses related to the work of the Naches Forest Partnership.

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, 2026 and 2025 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 must return any unspent funds. As of June 30, 2026 and 2025 the Organization held $-0- and $25,403, 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.

Note 2 – Summary of Significant Accounting Policies (continued)

Subsequent events

Subsequent events were evaluated through September 21, 2026, which is the date the financial statements were available to be issued.

Note 3 – Operating Line of Credit

The Organization has a revolving line of credit of $45,000 with Wells Fargo Bank that matures in June 2027. No amounts were outstanding at June 30, 2026 and 2025. Interest payments are due monthly at a fixed interest rate of 11.25%. The credit line is unsecured.

Note 4 – 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 4% of the employee's gross pay. Matching contributions for the Simple IRA for the years ended June 30, 2026 and 2025 were $7,148 and $7,236, respectively.

Note 5 – 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. Employee costs are allocated based on time and effort. Office rent, utilities, computer support, depreciation, insurance, office supplies, printing, and miscellaneous expenses are allocated based on the direct charge when benefitting a single function, or allocated in accordance with the employee costs. The methodologies used to allocate expenses on a functional basis are consistent during the periods presented.

Note 6 – Operating Lease

Effective July 1, 2023, the Organization renewed its operating lease for its 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. Management has determined it is reasonably certain the termination options will not be exercised; accordingly, the lease term recognized below extends through June 30, 2029.

The base lease is $1,807 a month with an annual 2% increase. In addition to the base lease, the Organization is billed for its 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 office rent in the statement of functional expenses.

The Organization has elected to utilize the risk-free interest rate of 4.87%. Subsequent maturities are as follows as of June 30, 2026:

	Annual Lease Payments	Imputed Interest	Lease Liability
2027	$ 23,011	$ (2,733)	$ 20,278
2028	23,471	(1,714)	21,757
2029	23,941	(620)	23,321
	$ 70,423	$ (5,067)	$ 65,356

Operating lease liabilities are presented on the statements of financial position as follows at June 30, 2026 and 2025:

	2026	2025
Operating lease liability	$ 20,278	$ 18,876
Operating lease liability, less current portion	45,078	65,356
Total operating lease liability	$ 65,356	$ 84,232

Operating lease cost for each of the years ended June 30, 2026 and 2025 was $22,798, and variable lease cost for common area maintenance, which is expensed as incurred and excluded from the lease liability, was $6,319 and $5,124, respectively. Cash paid for amounts included in the measurement of the operating lease liability was $22,560 and $22,118 for the years ended June 30, 2026 and 2025, respectively. The weighted-average remaining lease term was 3.0 and 4.0 years at June 30, 2026 and 2025, respectively, and the weighted-average discount rate was 4.87%.

Note 6 – 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 $350 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 sublease income on a monthly basis. The total costs incurred for the years ended June 30, 2026 and 2025 were $4,284 and $4,200, respectively, which are included as office rent expense on the statement of functional expenses, and the amounts recovered from the partner agency are reported as sublease income on the statements of activities.

Note 7 – 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 require its draw down to be based on current and approaching cash flow requirements.

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

At June 30, 2026 and 2025, the Organization had $149,923 and $110,948, respectively, of financial assets available to meet needs for general expenditures. 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.

	2026	2025
Cash and cash equivalents	$ 36,816	$ 87,013
Accounts receivable	131,825	49,338
Less: net assets with donor restrictions	(18,718)	-
Less: refundable advances	-	(25,403)
Available financial assets	$ 149,923	$ 110,948