

Financial Statements, Report of
Independent Certified Public
Accountants and Reports on
Compliance in Accordance with the
Uniform Guidance

National Fish and Wildlife Foundation

September 30, 2024 and 2023

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
National Fish and Wildlife Foundation

Report on the audit of the financial statements**Opinion**

We have audited the financial statements of National Fish and Wildlife Foundation (the "Foundation"), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities 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 the Foundation as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the 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 the Foundation's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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 US GAAS 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 US GAAS 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 the 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 the 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.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards for the year ended September 30, 2024, 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 supplementary 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 2024 financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2024 financial

statements or to the 2024 financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the 2024 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 March 21, 2025 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the 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 the Foundation's internal control over financial reporting and compliance.

Grant Thornton LLP

Arlington, Virginia
March 21, 2025

National Fish and Wildlife Foundation

STATEMENTS OF FINANCIAL POSITION

As of September 30,

	2024	2023
ASSETS		
Cash	\$ 23,051,709	\$ 30,472,980
Investments	946,032,714	606,393,566
Receivables:		
U.S. government agencies	27,998,685	16,729,297
Pledges, net	17,852,315	30,610,215
Other	1,770,120	2,134,074
Interest receivable	3,956,755	2,655,818
Prepaid expenses and other assets	5,028,595	4,754,531
Mitigation and settlement funds	1,983,909,351	1,932,913,624
Right-of-use assets	30,815,144	33,699,612
Property and equipment, net	16,154,689	6,894,424
Donated land	1,340,100	1,340,100
	<u>\$ 3,057,910,177</u>	<u>\$ 2,668,598,241</u>
Total assets		
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 7,227,016	\$ 6,371,870
Project liabilities	30,154,662	29,118,786
Deferred revenue	600,785,410	331,795,940
Funds held in escrow/mitigation	1,979,201,608	1,928,246,322
Lease liabilities	50,522,510	41,521,867
	<u>2,667,891,206</u>	<u>2,337,054,785</u>
Total liabilities		
Net assets		
Without donor restrictions		
Undesignated	65,065,788	26,122,470
Designated	107,211,022	96,678,917
	<u>172,276,810</u>	<u>122,801,387</u>
Total without donor restrictions		
With donor restrictions	217,742,161	208,742,069
	<u>390,018,971</u>	<u>331,543,456</u>
Total net assets		
Total liabilities and net assets	<u>\$ 3,057,910,177</u>	<u>\$ 2,668,598,241</u>

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

National Fish and Wildlife Foundation

STATEMENT OF ACTIVITIES

Year ended September 30, 2024

	Without Donor Restrictions			With Donor	Total
	Undesignated	Designated	Total	Restrictions	
Revenues and support					
U.S. government appropriations, grants and agreements	\$ 222,846,341	\$ -	\$ 222,846,341	\$ -	\$ 222,846,341
Management fees	20,490,883	-	20,490,883	-	20,490,883
Mitigation and settlements	165,373,732	-	165,373,732	-	165,373,732
Other grant revenues	10,900,552	-	10,900,552	-	10,900,552
Public support - contributions	9,051,415	-	9,051,415	55,177,406	64,228,821
Investment income, net	45,715,121	13,439,416	59,154,537	1,688,494	60,843,031
Net assets released from restrictions	47,652,834	-	47,652,834	(47,652,834)	-
Total revenues and support	522,030,878	13,439,416	535,470,294	9,213,066	544,683,360
Expenses					
Program costs	465,910,913	2,907,311	468,818,224	-	468,818,224
Fundraising	5,308,272	-	5,308,272	-	5,308,272
Management and general	11,699,628	-	11,699,628	-	11,699,628
Total expenses	482,918,813	2,907,311	485,826,124	-	485,826,124
Change in net assets before deconsolidation	39,112,065	10,532,105	49,644,170	9,213,066	58,857,236
Loss on deconsolidation of subsidiary	168,747	-	168,747	212,974	381,721
CHANGE IN NET ASSETS	38,943,318	10,532,105	49,475,423	9,000,092	58,475,515
Net assets, beginning of year	26,122,470	96,678,917	122,801,387	208,742,069	331,543,456
Net assets, end of year	\$ 65,065,788	\$ 107,211,022	\$ 172,276,810	\$ 217,742,161	\$ 390,018,971

The accompanying notes are an integral part of this financial statement.

National Fish and Wildlife Foundation

STATEMENT OF ACTIVITIES

Year ended September 30, 2023

	Without Donor Restrictions			With Donor	Total
	Undesignated	Designated	Total	Restrictions	
Revenues and support					
U.S. government appropriations, grants and agreements	\$ 165,839,268	\$ -	\$ 165,839,268	\$ -	\$ 165,839,268
Management fees	19,089,637	-	19,089,637	-	19,089,637
Mitigation and settlements	140,305,911	-	140,305,911	-	140,305,911
Other grant revenues	8,190,474	-	8,190,474	-	8,190,474
Public support - contributions	9,159,393	-	9,159,393	70,324,571	79,483,964
Investment income, net	10,196,044	8,840,882	19,036,926	627,705	19,664,631
Net assets released from restrictions	38,477,944	-	38,477,944	(38,477,944)	-
Total revenues and support	391,258,671	8,840,882	400,099,553	32,474,332	432,573,885
Expenses					
Program costs	372,041,267	1,203,030	373,244,297	-	373,244,297
Fundraising	3,999,729	-	3,999,729	-	3,999,729
Management and general	10,491,036	-	10,491,036	-	10,491,036
Total expenses	386,532,032	1,203,030	387,735,062	-	387,735,062
CHANGE IN NET ASSETS	4,726,639	7,637,852	12,364,491	32,474,332	44,838,823
Net assets, beginning of year	21,395,831	89,041,065	110,436,896	176,267,737	286,704,633
Net assets, end of year	\$ 26,122,470	\$ 96,678,917	\$ 122,801,387	\$ 208,742,069	\$ 331,543,456

The accompanying notes are an integral part of this financial statement.

National Fish and Wildlife Foundation

STATEMENTS OF CASH FLOWS

Years ended September 30,

	2024	2023
Cash flows from operating activities		
Changes in net assets	\$ 58,475,515	\$ 44,838,823
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,027,252	664,539
Loss on disposal of property and equipment	-	1,315,497
Net unrealized and realized investment gains	(38,550,959)	(12,054,231)
Changes in:		
Receivables	1,852,466	(5,529,193)
Interest receivable	(1,300,937)	(1,350,658)
Prepaid expenses and other assets	(274,064)	(1,750,844)
Right-of-use assets	2,884,468	(33,699,612)
Accounts payable and accrued expenses	855,146	417,022
Deferred rent	-	(1,368,602)
Project liabilities	1,035,876	(7,638,570)
Deferred revenue	268,989,470	164,412,644
Net mitigation and settlement funds	(40,441)	19,157,408
Lease liabilities	9,000,643	37,649,798
Net cash provided by operating activities	<u>303,954,435</u>	<u>205,064,021</u>
Cash flows from investing activities		
Purchase of property and equipment	(10,287,517)	(2,147,284)
Purchases of investments	(444,003,502)	(314,913,383)
Sales of investments	<u>142,915,313</u>	<u>119,557,382</u>
Net cash used in investing activities	<u>(311,375,706)</u>	<u>(197,503,285)</u>
NET (DECREASE) INCREASE IN CASH	<u>(7,421,271)</u>	<u>7,560,736</u>
Cash, beginning of year	<u>30,472,980</u>	<u>22,912,244</u>
Cash, end of year	<u><u>\$ 23,051,709</u></u>	<u><u>\$ 30,472,980</u></u>
Supplemental disclosure of cash flow information		
Fixed asset purchases in lease liabilities	\$ 9,985,067	\$ 3,872,069

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

National Fish and Wildlife Foundation

NOTES TO FINANCIAL STATEMENTS

September 30, 2024 and 2023

NOTE A - ORGANIZATION

On March 26, 1984, by an act of law (the "Act"), the United States ("U.S.") Congress established the National Fish and Wildlife Foundation ("NFWF") as a charitable and nonprofit corporation. NFWF is not an agency or establishment of the U.S. government. The purpose of NFWF is to encourage, accept, and administer private gifts of property for the benefit of, or in connection with, the activities and services of the U.S. Department of Interior/U.S. Fish and Wildlife Service ("DOIFWS") and, subsequently, the National Oceanic and Atmospheric Administration ("NOAA"), and to undertake and conduct such other activities to further the conservation and management of fish, wildlife, and plant resources for present and future generations.

Besides receiving funding through DOIFWS annual appropriations, NFWF also receives funding in the form of other appropriated funds and/or cooperative agreements with many of the other principal U.S. government agencies. In addition to funds received from the U.S. government, NFWF receives donations from individuals, corporations, and foundations for the general benefit of NFWF and in support of specific initiatives and/or projects managed by NFWF.

NFWF disburses funds to federal, state, and local agencies, persons, other foundations and organizations in connection with conservation projects necessary to carry out the intended purposes of NFWF.

Walker Basin Conservancy ("WBC") was incorporated by NFWF in September 2014 as part of the objectives of its Walker Basin Restoration Program ("WBRP") funded by a federal cooperative agreement between NFWF and the U.S. Bureau of Reclamation. WBC fulfills a requirement of the original legislation, Public Law 111-85, to establish a local nonprofit to act as a steward of the land and water resources associated with the WBRP. The purpose of WBC is to promote the restoration and maintenance of Walker Lake, a natural desert terminal lake in the State of Nevada, in a manner consistent with protection of agricultural, environmental, and habitat interests in the Walker River Basin, the ecological health of the Walker River, and the riparian and watershed resources of the West, East, and Main Walker Rivers.

Effective October 1, 2023, NFWF relinquished its sole membership of WBC and consented to the reorganization of WBC from a membership organization to an organization without members governed by a self-perpetuating Board of Directors. In addition, NFWF's representatives on the WBC Board of Directors resigned from their Board positions effective October 1, 2023. Accordingly, NFWF derecognized related assets, liabilities and net assets of WBC. Subsequent to the deconsolidation, NFWF has no residual interest in WBC and WBC is no longer a related party.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Principles of Consolidation

For the year ended September 30, 2023, the accompanying consolidated financial statements included the accounts of National Fish and Wildlife Foundation and Walker Basin Conservancy (together the "Foundation"). Consolidated financial statements were presented because of the existence of common control and economic interest for the year ended September 30, 2023. All intercompany transactions were eliminated upon consolidation. As discussed in Note A, on October 1, 2023, NFWF relinquished its sole membership in WBC, and therefore, it no longer met the criteria for consolidating WBC.

National Fish and Wildlife Foundation and Subsidiary

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

The Foundation records investments that qualify as securities as defined in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 320, *Investments - Debt and Equity Securities*, at fair value.

Investment income and losses, including unrealized gains and losses, are recognized currently in the statement of activities, except for those investments held in mitigation and settlement funds or whereby the investment income accrues to the contractual obligation. Gains and losses on investments, realized and unrealized, are recorded as of the settlement date. Investment income is without donor restriction, unless the donor of the original contribution restricts the earnings. Investment return is presented net of external and direct internal investment expenses.

Fair Value Measurements

ASC 820, *Fair Value Measurements*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The fair value of non-exchange traded alternative investments is determined using the net asset value ("NAV") per share as a practical expedient and have not been categorized within the fair value hierarchy defined above.

Income Taxes

NFWF and WBC are both exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except for unrelated business income. NFWF has processes presently in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, to determine their filing and tax obligations in jurisdictions for which they have nexus, and to identify and evaluate other matters that may be considered uncertain tax positions.

ASC 740, *Income Taxes*, requires that an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more like than not that the position will be sustained. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. NFWF has determined that there are no material uncertain tax positions that require recognition or disclosure in the accompanying financial statements.

Revenue Recognition

Federal appropriations and grants are deemed to be contributions and are reported as revenues in net assets without donor restrictions when the Foundation has incurred expenses in compliance with the appropriation or grant requirements. Such amounts received but not yet earned (advances and reimbursements in excess of costs incurred) are reported as deferred revenue. Costs incurred in excess of amounts received are reported as receivables from U.S. government agencies.

National Fish and Wildlife Foundation and Subsidiary

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

Contributions received, including unconditional promises to give (pledges), are recorded as either revenues with or without donor restrictions depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statement of activities as net assets released from restrictions.

Conditional promises to give contain a right of return or right of release from obligation on the part of the grantor and are not recognized until all conditions are substantially met. As of September 30, 2024 and 2023, the Foundation had \$1,685,806,823 and \$1,188,022,909 in unrecognized conditional contributions, of which \$1,669,773,298 and \$1,181,388,619 were related to federal appropriations or grants, respectively. The revenue related to these agreements is conditioned on requirements such as the Foundation incurring allowable expenditures under the terms of the respective agreements or the agreement of continued funding.

The Foundation manages certain mitigation and settlement funds in connection with the Foundation's charter to undertake and conduct activities that will further the conservation and management of fish, wildlife and plant resources. Management fees are earned by the Foundation in connection with these activities, which include monitoring project progress, processing payments to organizations, performing services on projects, assisting with evaluating project proposals, and in several instances, implementing the entire scope of activities from the request for project proposals to funds disbursement and eventual project close-out. Management fees are recognized over time when the related services are performed and amounts are based on the terms of the agreements.

Receivables

The Foundation's receivables consist primarily of receivables from U.S. government agencies, pledges and interest receivable. The specific identification method is used to determine whether an allowance for credit losses should be established. As of September 30, 2024 and 2023, it was determined that no allowance for credit losses was necessary. In addition, contributions to be received after one year are discounted at a rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions, if any, on the contributions.

Mitigation and Settlement Funds

For the mitigation and settlement funds managed by the Foundation, the Foundation acts as custodian of funds received and each fund is held and managed as a distinct investment by the Foundation's investment management service providers. The funds maintained by the Foundation at year end are reflected as an asset and liability in the accompanying statements of financial position. Investment income from mitigation and settlement funds for specific organizations is recorded as an asset and corresponding liability when earned. Mitigation and settlement funds include money market funds, treasury and government agency funds, debt and equity securities, and partnership interests and hedge funds which are recorded at fair value. For certain mitigation and settlement funds that the Foundation has discretion over, the Foundation provides unconditional grants to subrecipients. The Foundation records the expense and revenue at the time the unconditional grant is awarded. The related revenue is presented within mitigation and settlements and the expenses are presented within program costs on the statements of activities.

As of September 30, 2024 and 2023, the Foundation had a liability of \$1,979,201,608 and \$1,928,246,322 of funds under management, respectively. During the years ended September 30, 2024 and 2023, the Foundation disbursed \$185,615,330 and \$159,212,767, respectively, of mitigation and settlement funds.

National Fish and Wildlife Foundation and Subsidiary

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset as follows:

Furniture and equipment	5 years
Management information system	3 years

Leasehold improvements are amortized over the shorter of the estimated useful life of the improvement (between 3 to 16 years) or the related lease term to which they pertain.

The Foundation capitalizes property and equipment with an original cost of \$5,000 or more. Bulk purchases of similar items from the same vendor with an aggregate value of \$5,000 or more are also capitalized.

Leases

The Foundation adopted ASC 842, *Leases*, on October 1, 2022, which requires lessees to recognize a right-of-use asset ("ROU") along with a lease liability. The Foundation assesses agreements at inception to determine whether an arrangement includes a lease, which conveys the Foundation's right to control the use of an identified asset for a period of time in exchange for consideration. The Foundation has elected not to recognize ROU assets and corresponding lease liabilities with a lease term of 12 months or less from the lease commencement date. The lease agreements held by the Foundation do not contain any residual value guarantees or variable lease payments, and there are no restrictions or covenants imposed by these leases.

Net Assets

The Foundation classifies its net assets into two categories: without donor restrictions and with donor restrictions. Net assets without donor restrictions represent contributions not subject to any donor-imposed restrictions. The Foundation's Board of Directors ("Board") has designated certain net assets without donor restrictions for specific purposes (see Note G). Net assets with donor restrictions represent contributions with donor-imposed time or purpose restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions when the time restrictions expire or the funds are used for their restricted purposes and are reported in the statement of activities as net assets released from restrictions. Contributions with donor restrictions whose restrictions are fulfilled in the same fiscal year that the contributions are received are reported as contributions with donor restrictions and as net assets released from restrictions. Investment income from net assets with donor restrictions is recorded as income without donor restrictions unless restricted by donor stipulations.

Expense Allocation

The costs of providing various programs have been summarized on a functional basis and allocated among programs and supporting services benefited. Personnel and occupancy expenses are allocated based on time incurred and space occupied, respectively, by Foundation personnel. Program costs include expenditures directly attributable to various mitigation and settlement funds and conservation programs.

National Fish and Wildlife Foundation and Subsidiary

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

Unpaid program costs as of the end of the reporting period are accrued and reported as project liabilities within the statements of financial position.

	2024			
	Program Costs	Fundraising	Management and General	Total
Subawards/mission	\$ 438,056,456	\$ -	\$ -	\$ 438,056,456
Personnel	22,865,039	2,521,719	6,733,738	32,120,496
Occupancy and office	4,224,897	424,647	1,996,773	6,646,317
Professional services	1,448,401	696,388	1,488,574	3,633,363
Information technology	878,834	75,767	385,602	1,340,203
Travel and meetings	887,693	1,439,604	696,718	3,024,015
Other	456,904	150,147	398,223	1,005,274
Total expenses	<u>\$ 468,818,224</u>	<u>\$ 5,308,272</u>	<u>\$ 11,699,628</u>	<u>\$ 485,826,124</u>

	2023			
	Program Costs	Fundraising	Management and General	Total
Subawards/mission	\$ 343,677,678	\$ -	\$ -	\$ 343,677,678
Personnel	20,910,527	2,160,676	6,236,537	29,307,740
Occupancy and office	3,902,049	366,850	1,698,328	5,967,227
Professional services	1,451,522	83,041	445,916	1,980,479
Information technology	1,187,235	103,874	498,686	1,789,795
Travel and meetings	744,553	1,052,468	834,201	2,631,222
Other	1,370,733	232,820	777,368	2,380,921
Total expenses	<u>\$ 373,244,297</u>	<u>\$ 3,999,729</u>	<u>\$ 10,491,036</u>	<u>\$ 387,735,062</u>

Concentration of Credit Risk

Cash is maintained at various institutions and at times total deposits maintained exceed the amount insured by federal agencies and, therefore, bear some risk. The Foundation has not experienced any losses as a result of exceeding such insured amounts. The Foundation had \$23,601,546 and \$27,557,463 in funds held in excess of the Federal Deposit Insurance Corporation limit as of September 30, 2024 and 2023, respectively.

Subsequent Events

The Foundation evaluated its financial statements for subsequent events through March 21, 2025, the date the financial statements were available to be issued. The Foundation is not aware of any subsequent events which would require additional recognition or disclosure in the financial statements as of September 30, 2024.

National Fish and Wildlife Foundation and Subsidiary

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE C - FINANCIAL ASSETS AND LIQUIDITY RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the statements of financial position dated September 30, are comprised of the following:

	2024	2023
Cash	\$ 23,051,709	\$ 30,472,980
Grants, pledges and other receivables	47,621,120	49,473,586
Prepaid expenses and other assets	5,028,595	4,754,531
Investments and mitigation and settlement funds	2,929,942,065	2,539,307,190
Total financial assets	3,005,643,489	2,624,008,287
Less: unavailable for general expenditure within one year, due to being		
Pledges receivable to be collected in more than one year	(11,641,101)	(17,046,617)
Restricted by donors with purpose restrictions	(214,933,523)	(210,697,684)
Advances and reimbursements in excess of costs incurred	(613,261,572)	(317,875,366)
Restricted by legal purpose	(13,279,621)	(19,772,784)
Held in escrow for others (mitigation and settlement funds)	(1,964,931,536)	(1,914,980,951)
Restricted by board designations	(29,481,104)	(46,837,524)
Financial assets available to meet cash needs for general expenditures within one year	\$ 158,115,032	\$ 96,797,361

The available investments above include board-designated funds (net assets) of \$93,550,819 and \$60,507,506 as of September 30, 2024 and 2023, respectively. Although the Foundation does not intend to spend board-designated funds, they could be made available if necessary. As described in Note J, the Foundation has a revolving line-of-credit with a financial institution that is available if needed. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE D - INVESTMENTS

Investments at September 30, 2024 and 2023, excluding mitigation and settlement funds, consist of the following:

	2024	2023
Money market funds	\$ 110,853,368	\$ 185,915,272
Corporate debt securities	115,096,144	118,386,541
Treasury and government agency funds	609,701,876	202,252,992
Fixed income	5,384,856	944,253
Equity funds	41,198,858	43,723,375
Partnership interests and hedge funds	63,797,612	55,171,133
	\$ 946,032,714	\$ 606,393,566

National Fish and Wildlife Foundation and Subsidiary

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE E - MITIGATION AND SETTLEMENT FUNDS

The fair value of mitigation and settlement funds managed for specific organizations at September 30, 2024 and 2023 consists of the following:

	2024	2023
Money market funds	\$ 178,647,360	\$ 391,676,972
Corporate debt securities	716,031,824	531,734,653
Treasury and government agency funds	725,518,552	691,068,043
Fixed income	101,183,138	100,232,408
Equity funds	155,053,210	127,430,991
Partnership interests and hedge funds	98,551,148	81,981,459
Subtotal funds held in investments	1,974,985,232	1,924,124,526
Accrued interest	8,924,119	8,789,098
Mitigation and settlement funds	<u>\$ 1,983,909,351</u>	<u>\$ 1,932,913,624</u>

Mitigation and settlement funds experienced net investment income of \$165,506,285 and \$80,592,939 in 2024 and 2023, respectively, that were reflected as changes in the statements of financial position and are not included in the statements of activities.

NOTE F - FAIR VALUE MEASUREMENTS

The following is a description of the valuation methodologies and inputs used for investments measured at fair value, as well as the general classification pursuant to the valuation hierarchy.

Money market funds: Valued at the closing price reported on the active market on which the individual (or similar) securities are traded.

Corporate debt securities, treasury and government agency funds, fixed income, and equity funds: When quoted prices are available in an active market, corporate debt securities, treasury and government agency funds, fixed income, and equity funds are classified within Level 1 of the fair value hierarchy. Quoted prices in inactive markets are classified within Level 2. If quoted market prices are not available or accessible, then fair values are estimated using pricing models, matrix pricing, or discounted cash flow models. The fair values of these instruments estimated using pricing models or matrix pricing based on observable prices of corporate debt securities that trade in inactive markets are generally classified within Level 2 of the fair value hierarchy. Securities are classified within Level 3 when there is limited activity or less transparency around inputs to the valuation.

Partnership interests and hedge funds: When quoted market prices are not available or accessible and cannot be estimated using pricing models, matrix pricing, or discounted cash flows, the investments are valued at the NAV of shares or its equivalent as reported by the investments managers, held by the Foundation at year end.

National Fish and Wildlife Foundation and Subsidiary

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

The following table summarizes the valuation of financial instruments at fair value on a recurring basis in the statement of financial position at September 30, 2024, including the additional requirement to classify securities by major asset type category:

	Level 1	Level 2	Level 3	Reported at NAV	Total
Money market funds	\$ 110,853,368	\$ -	\$ -	\$ -	\$ 110,853,368
Corporate debt securities	-	115,096,144	-	-	115,096,144
Treasury and government agency funds	7,031,026	602,670,850	-	-	609,701,876
Fixed income	5,384,856	-	-	-	5,384,856
Equity funds	41,198,858	-	-	-	41,198,858
Partnership interests and hedge funds	-	-	-	63,797,612	63,797,612
Investments	164,468,108	717,766,994	-	63,797,612	946,032,714
Mitigation and settlement funds					
Money market funds	178,647,360	-	-	-	178,647,360
Corporate debt securities	-	716,031,824	-	-	716,031,824
Treasury and government agency funds	32,205,850	693,312,702	-	-	725,518,552
Fixed income	55,545,836	-	-	45,637,302	101,183,138
Equity funds	30,222,570	-	-	124,830,640	155,053,210
Partnership interests and hedge funds	-	-	-	98,551,148	98,551,148
Mitigation and settlement funds	296,621,616	1,409,344,526	-	269,019,090	1,974,985,232
Total financial instruments at fair value	\$ 461,089,724	\$2,127,111,520	\$ -	\$ 332,816,702	\$ 2,921,017,946

The following table summarizes the valuation of financial instruments at fair value on a recurring basis in the statement of financial position at September 30, 2023, including the additional requirement to classify securities by major asset type category:

	Level 1	Level 2	Level 3	Reported at NAV	Total
Money market funds	\$ 185,915,272	\$ -	\$ -	\$ -	\$ 185,915,272
Corporate debt securities	-	118,386,541	-	-	118,386,541
Treasury and government agency funds	5,341,621	196,911,371	-	-	202,252,992
Fixed income	944,253	-	-	-	944,253
Equity funds	43,723,375	-	-	-	43,723,375
Partnership interests and hedge funds	-	-	-	55,171,133	55,171,133
Investments	235,924,521	315,297,912	-	55,171,133	606,393,566
Mitigation and settlement funds					
Money market funds	391,676,972	-	-	-	391,676,972
Corporate debt securities	-	531,734,653	-	-	531,734,653
Treasury and government agency funds	26,165,278	664,902,765	-	-	691,068,043
Fixed income	58,216,969	-	-	42,015,439	100,232,408
Equity funds	24,960,012	-	-	102,470,979	127,430,991
Partnership interests and hedge funds	-	-	-	81,981,459	81,981,459
Mitigation and settlement funds	501,019,231	1,196,637,418	-	226,467,877	1,924,124,526
Total financial instruments at fair value	\$ 736,943,752	\$ 1,511,935,330	\$ -	\$ 281,639,010	\$ 2,530,518,092

National Fish and Wildlife Foundation and Subsidiary

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

The table below presents additional information for the Foundation's investments, including mitigation and settlement funds, as of September 30, 2024 and 2023, whose fair value is estimated using the practical expedient of reported NAV.

	2024			
	Fair Value	Unfunded Commitments	Redemption Terms	Redemption Notice Period
Fixed income ^(a)	\$ 45,637,302	\$ -	Various, ranging from daily to weekly	1-7 days
Equity funds ^(b)	124,830,640	-	Various, ranging from daily to monthly	1-30 days
Partnership interests and hedge funds ^(c)	162,348,760	52,327,762	Various, ranging from daily to illiquid	1-120 days
Total	<u>\$ 332,816,702</u>	<u>\$ 52,327,762</u>		
	2023			
	Fair Value	Unfunded Commitments	Redemption Terms	Redemption Notice Period
Fixed income ^(a)	\$ 42,015,439	\$ -	Various, ranging from daily to weekly	1-7 days
Equity funds ^(b)	102,470,979	-	Various, ranging from daily to monthly	1-30 days
Partnership interests and hedge funds ^(c)	137,152,592	31,656,009	Various, ranging from daily to illiquid	1-120 days
Total	<u>\$ 281,639,010</u>	<u>\$ 31,656,009</u>		

^(a) Two funds managed by a fund manager, who employs an active strategy in an effort to replicate or exceed the performance of a well-known fixed-income index.

^(b) This class includes two equity funds that invest primarily in a diversified portfolio of common stocks and equity-linked securities. The funds seek to replicate or outperform the performance of their respective benchmark indices.

^(c) This class includes several hedge funds and funds of funds that invest primarily in international and domestic equity securities to achieve capital appreciation. The liquidation timing for these funds is unknown. For certain funds, these investments can never be redeemed with the funds. Instead, the nature of these investments is that distributions are received through liquidation of the underlying assets of the funds at the direction of the fund managers, which have not communicated that timing to the Foundation or announced the timing publicly. The fair value of these illiquid funds was \$50,202,247 and \$39,122,544 as of September 30, 2024 and 2023, respectively. Certain partnership interests within this class have redemption restrictions, including lock-up provisions of one year and withdrawal gates ranging from 10-33% of the partners' capital.

National Fish and Wildlife Foundation and Subsidiary

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE G - DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions as of September 30, 2024 and 2023, which have been designated by the Board for specific purposes, are summarized as follows:

	<u>2024</u>	<u>2023</u>
Halliburton funds	\$ 22,866,069	\$ 24,113,380
Funds for the future	<u>84,344,953</u>	<u>72,565,537</u>
Total designated net assets	<u>\$ 107,211,022</u>	<u>\$ 96,678,917</u>

Halliburton funds have been designated by the Board to support the implementation of the Gulf Environmental Benefit Fund ("GEBF") program through support of conservation projects and activities in the states of Alabama, Florida, Louisiana, Mississippi and Texas. Funds for the future have been designated by the Board to fund on-going strategic conservation objectives and priorities of the Foundation as well as to maintain a quasi-endowment for the purpose of securing the long-term financial viability of the Foundation.

National Fish and Wildlife Foundation and Subsidiary

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

At September 30, 2024 and 2023, the Foundation had net assets with donor restrictions for conservation initiatives to be expended for the following programs:

	2024	2023
Longleaf Stewardship Fund	\$ 37,501,905	\$ 26,995,839
Northern Great Plains	35,698,370	25,265,842
Acres for America	14,988,468	15,242,629
Southern Great Plains	11,180,644	13,224,742
Seabird Conservation Program	9,161,014	2,317,941
Conservation Partners	7,760,964	8,108,612
Lower Mississippi Alluvial Valley Fund	7,726,761	8,646,830
Southeast Aquatics	7,347,503	7,484,725
Cumberland Plateau Stewardship Fund	6,953,794	9,365,518
Central Appalachia Habitat Stewardship Program	6,597,427	7,388,129
Five Star and Urban Water Restoration Fund	5,982,092	8,378,754
Sustain our Great Lakes Program	5,938,627	7,429,708
Delaware River Program	5,278,929	6,581,159
Hawaii Conservation Program	4,968,235	6,199,166
National Coastal Resilience Fund	4,749,924	4,031,175
Chi-Cal Rivers Fund	3,840,025	3,497,300
Chesapeake Bay Stewardship Fund	3,612,059	4,660,569
Southwest Rivers	3,586,269	3,419,863
Southeast Michigan Resilience Fund	3,070,506	3,062,380
America's Ecosystem Restoration Initiative	2,567,177	825,433
Atlantic Flyway Shorebirds	2,562,367	-
RESTORE Colorado	2,457,462	2,031,138
Rocky Mountain Rangelands	2,364,557	2,492,469
Other Conservation Initiatives	21,847,082	32,092,148
	<u>\$ 217,742,161</u>	<u>\$ 208,742,069</u>
Total		

NOTE I - COMMITMENTS AND CONTINGENCIES

Leases

The Foundation has multiple operating leases for office and storage space. The first set of leases are located at 15th Street, Washington, DC and in Baton Rouge, Louisiana. These leases began in October 2008 (Washington, DC) and August 2013 (Baton Rouge) and will continue until 2026 and 2024, respectively. The risk-free discount rate used to measure these leases is 4.2%.

Additionally, the Foundation has entered into a new operating lease agreement for office space at 1625 Eye Street, Washington DC. This lease started in November 2022 and will continue until December 2039. The Foundation is not reasonably certain to exercise the option to extend this lease. Therefore, as of the lease commencement date, the lease obligation does not include the renewal period. The lease agreement includes a tenant improvement allowance of \$13,857,135. The risk-free discount rate used to measure this lease is 4.3%.

National Fish and Wildlife Foundation and Subsidiary

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

Minimum future rental payments under noncancelable leases as of September 30, 2024, are as follows:

<u>Years Ending September 30,</u>	
2025	\$ 2,506,289
2026	3,789,058
2027	4,175,510
2028	4,279,898
2029	4,386,896
Thereafter	<u>51,789,279</u>
Less: net present value adjustment	<u>(20,404,420)</u>
Total	<u>\$ 50,522,510</u>

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities	\$ 2,450,393	\$ 1,831,725
ROU assets obtained in exchange for lease liabilities	-	36,950,469
Short-term lease cost	108,256	492,074
Weighted-average remaining lease term	14.36	14.62
Weighted-average discount rate	4.28%	4.27%

Total operating lease costs for the years ended September 30, 2024 and 2023 totaled \$4,699,997 and \$4,468,291, respectively.

Costs Subject to Audit

The Foundation's costs incurred under its government grants and cooperative agreements are subject to audit by awarding agencies. Management of the Foundation does not believe that the results of such audits would have a material impact on the accompanying financial statements of the Foundation.

NOTE J - LINE OF CREDIT

In 2016, the Foundation opened a revolving line of credit agreement with a financial institution in the amount of \$10,000,000. As of September 30, 2024 and 2023, interest is payable monthly at the Bloomberg Short-Term Bank Yield ("BSBY") Daily Floating Rate plus 0.65% per annum (5.90% and 6.08% as of September 30, 2024 and 2023, respectively). The line of credit had an original maturity date of April 30, 2017 and is secured by the Foundation's investment securities. The agreement was renewed to extend the maturity date to May 31, 2025, and the line of credit amount was increased to \$20,000,000. The Foundation has not drawn upon the line of credit during the fiscal years ended September 30, 2024 and 2023. As such, there were no amounts outstanding as of September 30, 2024 and 2023 nor was there interest expense for the years ended September 30, 2024 and 2023. The loan agreement also contains specific financial and operating covenants. The Foundation complied with all bank covenants for the years ended September 30, 2024 and 2023.

National Fish and Wildlife Foundation and Subsidiary

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE K - RETIREMENT PLANS

The Foundation's benefits package for its staff includes 403(b), 457(f) and 457(b) tax-deferred annuity retirement plans. The total amount incurred by the Foundation for these benefits for the years ended September 30, 2024 and 2023, was \$2,380,981 and \$2,148,069, respectively.

NOTE L - PLEDGES RECEIVABLE, NET

All pledges are deemed fully collectible. The net present value of pledges receivable is expected to be received as follows at September 30:

	2024	2023
Less than 1 year	\$ 6,211,214	\$ 13,563,598
1 to 5 years	13,435,000	19,505,000
Less: unamortized discount on receivables at rates ranging from 0.18% to 4.62% to estimated net present value	<u>(1,793,899)</u>	<u>(2,458,383)</u>
Pledges receivable, net	<u>\$ 17,852,315</u>	<u>\$ 30,610,215</u>

NOTE M - PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following at September 30:

	2024	2023
Furniture and equipment	\$ 418,644	\$ 492,502
Management information system	5,646,637	5,260,264
Leasehold improvements	<u>20,850,186</u>	<u>10,875,184</u>
	26,915,467	16,627,950
Less: accumulated depreciation and amortization	<u>(10,760,778)</u>	<u>(9,733,526)</u>
Total property and equipment, net	<u>\$ 16,154,689</u>	<u>\$ 6,894,424</u>

Depreciation and amortization expense was \$1,027,252 and \$664,539 for the years ended September 30, 2024 and 2023, respectively.

National Fish and Wildlife Foundation and Subsidiary

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2024 and 2023

NOTE N - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following at September 30:

	<u>2024</u>	<u>2023</u>
Accounts payable	\$ 4,054,604	\$ 3,640,512
Accrued personnel related costs	<u>3,172,412</u>	<u>2,731,358</u>
Total accounts payable and accrued expenses	<u>\$ 7,227,016</u>	<u>\$ 6,371,870</u>

NOTE O - RELATED PARTY TRANSACTIONS

The Foundation received contributions from Board members and other related organizations during the years ended September 30, 2024 and 2023 totaling \$2,416,019 and \$751,000, respectively.

NOTE P - RISKS AND UNCERTAINTIES

The Foundation invests in certain investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities which occur in the near term and could materially impact the amounts reported in Foundation's financial statements.

SUPPLEMENTAL INFORMATION

National Fish and Wildlife Foundation

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended September 30, 2024

Federal Grantor/Program Title	Assistance Listing No.	Award No./ Pass-through Identifying No.	Total Expenditures	Provided to Subrecipients
<i>U.S. Department of Interior - Direct Awards</i>				
Hurricane Sandy Disaster Relief - Coastal Resiliency Grants	15.153		\$ 2,406,608	\$ 2,366,687
Rangeland Resource Management	15.237		57,240	45,000
Threatened and Endangered Species	15.246		350,072	350,012
Wildlife Resource Management	15.247		1,723,587	1,723,587
Providing Water to At-Risk Natural Desert Terminal Lakes	15.508		24,194,652	24,128,744
Fish and Wildlife Coordination Act	15.517		2,168,067	2,025,845
Central Valley, Trinity River Division, Trinity River Fish and Wildlife Management	15.532		188,042	135,737
Fish and Aquatic Conservation - Aquatic Invasive Species	15.608		308,379	259,341
Partners for Fish and Wildlife	15.631		587,022	559,115
National Wildlife Refuge System Enhancements	15.654		173,927	142,340
Migratory Bird Monitoring, Assessment and Conservation	15.655		124,353	105,248
Endangered Species Recovery Implementation	15.657		1,164,520	1,123,855
Candidate Species Conservation	15.660		6,904	-
Great Lakes Restoration	15.662		8,455,077	8,054,069
NFWF-USFWS Conservation Partnership	15.663		7,362,151	7,360,765
Cooperative Landscape Conservation	15.669		6,332,237	5,844,936
Adaptive Science	15.670		12,686,545	12,134,233
Youth Engagement, Education, and Employment	15.676		114,843	106,244
White-nose Syndrome National Response Implementation	15.684		2,122	-
Total U.S. Department of Interior			68,406,348	66,465,758
<i>U.S. Department of Agriculture - Direct Awards</i>				
Conservation Reserve Program	10.069		584,337	562,919
Wetlands Reserve Program	10.072		34,799	34,393
Cooperative Forestry Assistance	10.664		1,207,193	1,119,305
Forest Stewardship Program	10.678		279,590	267,023
National Fish and Wildlife Foundation	10.683		2,872,707	2,841,686
Partnership Agreements	10.699		9,234	-
Infrastructure Investment and Jobs Act Restoration/Revegetation	10.717		2,362,679	2,339,054
Soil and Water Conservation	10.902		9,934,911	9,584,717
Environmental Quality Incentives Program	10.912		1,912,690	1,614,414
Conservation Stewardship Program	10.924		1,828,700	1,523,090
Agricultural Water Enhancement Program	10.925		479	-
Agricultural Conservation Easement Program	10.931		583,868	517,827
Regional Conservation Partnership Program	10.932		25,807	689
Urban Agriculture and Innovative Production	10.935		108,615	93,540
Partnerships for Climate-Smart Commodities	10.937		6,103,831	5,767,078
Total U.S. Department of Agriculture			27,849,440	26,265,735

The accompanying notes to schedule of expenditures of federal awards should be read in conjunction with this schedule.

National Fish and Wildlife Foundation

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year ended September 30, 2024

<u>Federal Grantor/Program Title</u>	<u>Assistance Listing No.</u>	<u>Award No./ Pass-through Identifying No.</u>	<u>Total Expenditures</u>	<u>Provided to Subrecipients</u>
<i>Environmental Protection Agency - Direct Awards</i>				
Geographic Programs - Long Island Sound Program	66.437		\$ 4,907,891	\$ 4,576,961
National Wetland Program Development Grants and Five-Star Restoration Training Grant	66.462		143,756	129,895
Geographic Programs - Chesapeake Bay Program	66.466		<u>23,735,254</u>	<u>23,107,782</u>
Total Environmental Protection Agency			<u>28,786,901</u>	<u>27,814,638</u>
<i>U.S. Department of Commerce - Direct Awards</i>				
NOAA Mission-Related Education Awards	11.008		755,475	723,880
Broad Agency Announcement	11.015		352,365	295,514
Habitat Conservation	11.463		3,289,723	3,147,511
Unallied Science Program	11.472		4,418,597	4,287,902
Office for Coastal Management	11.473		70,846,633	69,757,063
Coral Reef Conservation Program	11.482		1,824,484	1,748,036
Marine Debris Program	11.999		<u>2,342,851</u>	<u>2,275,568</u>
Total U.S. Department of Commerce			<u>83,830,128</u>	<u>82,235,474</u>
<i>U.S. Department of Energy - Direct Awards</i>				
Bonneville Power Administration	81.U01		<u>5,209,140</u>	<u>4,813,016</u>
Total U.S. Department of Energy			<u>5,209,140</u>	<u>4,813,016</u>
<i>U.S. Department of Defense - Direct Awards</i>				
Legacy Resource Management Program	12.632		1,636,170	1,524,001
USACE Lake Isabella	12.U01		434,122	383,204
Readiness and Environmental Protection Integration (REPI) Program	12.017		6,040,216	5,810,012
Basic and Applied Scientific Research	12.300		<u>653,876</u>	<u>644,244</u>
Total U.S. Department of Defense			<u>8,764,384</u>	<u>8,361,461</u>
Total Expenditures of Federal Awards			<u>\$ 222,846,341</u>	<u>\$ 215,956,082</u>

The accompanying notes to schedule of expenditures of federal awards should be read in conjunction with this schedule.

National Fish and Wildlife Foundation

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended September 30, 2024

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards for the year ended September 30, 2024 includes the federal grant activity of NFWF, and is presented on the accrual basis of accounting. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

NOTE B - ASSISTANCE LISTING

Assistance Listing numbers are assigned to various agreements presented on the Schedule of Expenditures of Federal Awards. When an Assistance Listing number is not assigned, federal awards from the same agency made for the same purpose are combined by primary focus or source, and are considered one program for purposes of determining major programs.

NOTE C - INDIRECT COST

National Fish and Wildlife Foundation has not elected to use the 10% *de minimus* cost rate allowed under the Uniform Guidance.

NOTE D - CONTINGENCIES

Financial awards from federal governments in the form of grants are subject to special audits. Such audits could result in claims against the Foundation for disallowed costs or non-compliance with grantor restrictions. No provision has been made for any liabilities that may arise from any such audits.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Board of Directors
National Fish and Wildlife Foundation

We have audited, 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 (*Government Auditing Standards*), the financial statements of National Fish and Wildlife Foundation (the "Foundation"), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 21, 2025.

Report on internal control over financial reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation'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.

Report on compliance and other matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Grant Thornton LLP

Arlington, Virginia
March 21, 2025

GRANT THORNTON LLP

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
National Fish and Wildlife Foundation

Report on compliance for each major federal program

Opinion on each major federal program

We have audited the compliance of National Fish and Wildlife Foundation (the "Foundation") 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 September 30, 2024. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for opinion on each major federal program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the 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.

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 US GAAS, *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 US GAAS, *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.

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 or significant deficiencies. 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.

Grant Thornton LLP

Arlington, Virginia
March 21, 2025

National Fish and Wildlife Foundation
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended September 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified not considered to be material weaknesses? ☐ Yes ☒ None reported
3. Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards:

1. Internal control over the major programs:
 - a. Material weakness(es) identified? ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified that are not considered to be material weakness(es) ☐ Yes ☒ None reported
2. Type of auditor's report issued on compliance for major programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No
4. Identification of major programs:

Assistance Listing No.	Program Title
10.937	Partnerships for Climate-Smart Commodities
11.463	Habitat Conservation
11.472	Unallied Science Program
12.017	Readiness and Environmental Protection Integration (REPI) Program
15.662	Great Lakes Restoration
15.663	NFWF-USFW Conservation Partnership
15.669	Cooperative Landscape Conservation
15.670	Adaptive Science

5. Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000
6. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

National Fish and Wildlife Foundation
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
Year ended September 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

No matters were reported.