
CALIFORNIA RICELAND WATERBIRD FOUNDATION
FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT
FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

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CALIFORNIA RICELAND WATERBIRD FOUNDATION
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
California Riceland Waterbird Foundation
Sacramento, California

We have reviewed the accompanying financial statements of California Riceland Waterbird Foundation (a nonprofit organization), which comprise the statements of financial position as of August 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink that reads "Mark C. Nelson CPAs".

Sacramento, California
January 29, 2020

CALIFORNIA RICELAND WATERBIRD FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF AUGUST 31, 2019 AND 2018

	2019	2018
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents (Note 5)	\$ 112,225	\$ 75,022
Prepaid expenses and other assets	702	-
Total Assets	\$ 112,927	\$ 75,022
 <u>NET ASSETS</u>		
Net Assets		
Without donor restrictions	\$ 112,927	75,022
Total Net Assets	\$ 112,927	75,022

See accompanying notes and independent accountant's review report.

CALIFORNIA RICELAND WATERBIRD FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Support and Revenues		
Contributions	\$ 174,937	\$ 54,730
Pledges	<u>34,200</u>	<u>37,200</u>
Total Support and Revenue	<u>209,137</u>	<u>91,930</u>
Expenses		
Program expenses	117,857	-
Management and general	23,639	25,478
Fundraising	<u>29,736</u>	<u>12,596</u>
Total Expenses	<u>171,232</u>	<u>38,074</u>
Change in Net Assets	37,905	53,856
Net Assets - Beginning of year	<u>75,022</u>	<u>21,166</u>
Net Assets - Ending of year	<u>\$ 112,927</u>	<u>\$ 75,022</u>

See accompanying notes and independent accountant's review report.

CALIFORNIA RICELAND WATERBIRD FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2019

	<u>Program Expenses</u>	<u>Total Program Expenses</u>	<u>Support Services</u>		
			<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Accounting	\$ -	\$ -	\$ -	\$ 3,592	\$ 3,592
Other professional services	117,857	117,857	29,736	19,815	167,408
Office expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>232</u>	<u>232</u>
Total Expenses	<u>\$ 117,857</u>	<u>\$ -</u>	<u>\$ 29,736</u>	<u>\$ 23,639</u>	<u>\$ 171,232</u>

See accompanying notes and independent accountant's review report.

CALIFORNIA RICELAND WATERBIRD FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2018

	<u>Program Expenses</u>	<u>Total Program Expenses</u>	<u>Support Services</u>		
			<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Accounting	\$ -	\$ -	\$ -	\$ 5,542	\$ 5,542
Other professional services	-	-	12,596	19,815	32,411
Office expenses	-	-	-	121	121
Total Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,596</u>	<u>\$ 25,478</u>	<u>\$ 38,074</u>

See accompanying notes and independent accountant's review report.

CALIFORNIA RICELAND WATERBIRD FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>Cash Flows from Operating Activities</u>		
Increase in net assets	\$ 37,905	\$ 53,856
(Increase) in prepaid expenses	<u>(702)</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u>37,203</u>	<u>53,856</u>
Net Increase in Cash and Cash Equivalents	<u>37,203</u>	<u>53,856</u>
Cash and Cash Equivalents - Beginning of year	<u>75,022</u>	<u>21,166</u>
Cash and Cash Equivalents - End of year	<u><u>\$ 112,225</u></u>	<u><u>\$ 75,022</u></u>

See accompanying notes and independent accountant's review report.

CALIFORNIA RICELAND WATERBIRD FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

California Riceland Waterbird Foundation (the Foundation) is a non-profit public benefit corporation, organized under the laws of the State of California for the purpose of enhancing the ecological value of California rice fields to help sustain the millions of waterbirds in the Pacific Flyway for future generations. The Foundation is a partnership between rice farmers and waterbird conservation groups for the long-term preservation of habitat for waterbirds in California's Sacramento Valley. This close relationship between the Foundation and the California Rice Commission brings a significant number of California rice growers to the table who are willing to alter their farming practices for the benefit of waterbirds. In addition, cooperative contributions from many waterbird conservation partners bring forward key technical expertise to ensure that projects will successfully result in desired beneficial waterbird conservation objectives.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and are available for general operations.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Foundation and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Foundation does not have any net assets with donor restrictions.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Foundation considers as cash equivalents all highly liquid investments which can be converted into known amounts of cash and have a maturity period of 3 months or less at the time of purchase.

Revenue Recognition

All contributions are considered available for the Foundation's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as revenue with donor restrictions and increase the respective class of net assets. Contributions received with donor restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

In-kind Contributions and Contributed Services

In-kind contributions are reflected as contributions at their estimated fair value at the date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Foundation recognizes the fair value of contributed services if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Contributions of tangible assets are recorded at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

CALIFORNIA RICELAND WATERBIRD FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include professional services and administrative costs.

Income Taxes

The Foundation qualifies for exemption from income taxes under provision Section 501 (c)(3) of the Internal Revenue Code and Sections 23701 (d) of the California Corporations Code. Accordingly, there is no provision for income taxes recorded in the financial statements. As required by the Income Tax Topic of FASB ASC 740, the Foundation recognizes the effect of income tax positions only if those positions are more likely than not be being sustained. The Foundation does not believe its financial statements include any uncertain tax positions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Subsequent events were evaluated through January 29, 2020, which is the date the financial statements were available to be issued.

Recently Adopted Accounting Pronouncements

ASU 2016-14 - Not-for-Profit Entities (Topic 958) Presentation of Financial Statements.

The purpose of this standard is to improve and simplify the manner in which a not-for-profit entity (NFP) classifies its net assets, as well as the information that it presents in financial statements and notes concerning liquidity, financial performance, and cash flows. ASU No. 2016-14 amends the requirements for financial statements and notes in Topic 958, Not-for-Profit Entities, and requires an NFP to, among other things, (1) present on the face of the statement of financial position amounts for two classes of net assets at the end of the period, rather than for the previously required three classes (i.e., an NFP will report amounts for both net assets with donor restrictions and net assets without donor restrictions, as well as the currently required amount for total net assets); (2) present on the face of the statement of activities the amount of the change in each of the two classes of net assets referenced above, rather than that of the previously required three classes (i.e., an NFP would continue to report the currently required amount of the change in total net assets for the period); and (3) continue to present on the face of the statement of cash flows the net amount for operating cash flows, using either the direct or the indirect method of reporting, but no longer require the presentation or disclosure of the indirect method (reconciliation) if using the direct method. The new requirements were adopted for the Foundation's August 31, 2019 year end.

CALIFORNIA RICELAND WATERBIRD FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Future Accounting Pronouncements

ASU 2016-02 - Leases (Topic 842)

Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with a term of more than 12 months. Unlike current GAAP, which requires only capital leases to be recognized on the balance sheet, ASU No. 2016-02 will require both operating and finance leases to be recognized on the balance sheet. Additionally, the ASU will require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases, including qualitative and quantitative requirements. The new requirements are effective for the Foundation's August 31, 2021 year end. Management has not yet determined the impact of this accounting standard on the Foundation's operations or cash flows.

ASU 2016-18 - Statement of Cash Flows (Topic 230) Restricted Cash

This standard addresses the diversity in practice that exists regarding the classification and the presentation of changes in restricted cash on the statement of cash flows under Topic 230, *Statement of Cash Flows*. The standard requires cash flow statements to explain the changes during a reporting period of the totals for cash, cash equivalents, restricted cash and restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and the end-of-period total amounts set forth on the statement of cash flows. The amendments in this ASU do not provide a definition of restricted cash or restricted cash equivalents. The new requirements are effective for the Foundation's August 31, 2020 year end. Management has not yet determined the impact of this accounting standard on the Foundation's operations or cash flows.

ASU 2018-08 – Not-for-Profit Entities (Topic 958) Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made.

The purpose of this standard is to clarify and improve current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. The amendments clarify how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred on the basis of the following: (1) A resource provider (including a foundation, a government agency, or other) is not synonymous with the general public. A benefit received by the public as a result of the assets transferred is not equivalent to commensurate value received by the resource provider. (2) Execution of a resource provider's mission or the positive sentiment from acting as a donor does not constitute commensurate value received by a resource provider for purposes of determining whether a transfer of assets is a contribution or an exchange. The amendments in this update likely will result in more grants and contracts being accounted for as either contributions or conditional contributions than observed in practice under current guidance. For transactions in which the Foundation is a resource recipient, the new requirements are effective for the Foundation's August 31, 2020 year end. For transactions in which the Foundation is a resource provider, the new requirements are effective for the Foundation's August 31, 2021 year end. Early adoption is permitted. Management has not yet determined the impact of this accounting standard on the Foundation's operations or cash flows.

CALIFORNIA RICELAND WATERBIRD FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 2: LIQUIDITY AND AVAILABILITY

The Foundation regularly monitors liquidity required to meet its operating needs and commitments.

As of August 31, 2019 and 2018, the following table shows the financial assets held by the Foundation and the amounts of those assets which could be readily available within one year of the statement of financial position date to meet general expenditures:

	August 31, 2019	August 31, 2018
Cash and cash equivalents	\$ <u>112,225</u>	\$ <u>75,022</u>
Financial assets available to meet general expenditures within one year	\$ <u><u>112,225</u></u>	\$ <u><u>75,022</u></u>

In addition to financial assets available to meet expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates sufficient revenue to cover general expenditures. 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 come due.

NOTE 3: CONCENTRATIONS

The Foundation's revenues consisted mainly of contributions and pledges. For the year ended August 31, 2019, one agency accounted for 9% of total revenues. For the year ended August 31, 2018, one agency accounted for 22% of total revenues.

NOTE 4: CONTRIBUTED SERVICES RECEIVED FROM RELATED PARTY

For each of the years ended August 31, 2019 and 2018, the Foundation recognized revenue and related expense of \$19,815 for contributed administrative and general services provided by the California Rice Commission (CRC), a related party. For the years ended August 31, 2019 and 2018, the Foundation recognized revenue and related expenses of 32,556 and \$18,098, respectively, for Foundation costs paid for by CRC.

NOTE 5: CASH AND CASH EQUIVALENTS

The Foundation maintains its cash balances at one financial institution. As of August 31, 2019, and 2018, the Foundation's total bank balances were \$112,225 and \$75,022, respectively, all of which was insured. The Foundation's book balances as of August 31, 2019 and 2018 totaled \$112,225 and \$75,022, respectively.