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**CALIFORNIA RICELAND WATERBIRD FOUNDATION**  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT ACCOUNTANT'S REVIEW REPORT  
FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019

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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, 2020 and 2019, 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.

*Mann, Urrutia, Nelson CPAs*

Sacramento, California  
March 23, 2021

**CALIFORNIA RICELAND WATERBIRD FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF AUGUST 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 5)	\$ 36,260	\$ 112,225
Prepaid expenses and other assets	702	702
Other assets	4,900	-
<b>Total Assets</b>	<b>\$ 41,862</b>	<b>\$ 112,927</b>
 <b><u>NET ASSETS</u></b>		
<b>Net Assets</b>		
Without donor restrictions	\$ 41,862	\$ 112,927
<b>Total Net Assets</b>	<b>\$ 41,862</b>	<b>\$ 112,927</b>

See accompanying notes and independent accountant's review report.

**CALIFORNIA RICELAND WATERBIRD FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Support and Revenues</b>		
Contributions	\$ 97,532	\$ 174,937
Pledges	<u>37,100</u>	<u>34,200</u>
<b>Total Support and Revenue</b>	<u>134,632</u>	<u>209,137</u>
<b>Expenses</b>		
Program expenses	140,555	117,857
Management and general	25,118	23,639
Fundraising	<u>40,024</u>	<u>29,736</u>
<b>Total Expenses</b>	<u>205,697</u>	<u>171,232</u>
<b>Change in Net Assets</b>	(71,065)	37,905
<b>Net Assets - Beginning of year</b>	<u>112,927</u>	<u>75,022</u>
<b>Net Assets - Ending of year</b>	<u>\$ 41,862</u>	<u>\$ 112,927</u>

See accompanying notes and independent accountant's review report.

**CALIFORNIA RICELAND WATERBIRD FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

	Program Expenses	Total Program Expenses	Support Services		Total
			Fundraising	Management and General	
Accounting	\$ -	\$ -	\$ -	\$ 4,927	\$ 4,927
Other professional services	140,555	140,555	40,024	19,815	200,394
Office expenses	-	-	-	376	376
Total Expenses	<u>\$ 140,555</u>	<u>\$ 140,555</u>	<u>\$ 40,024</u>	<u>\$ 25,118</u>	<u>\$ 205,697</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**

	Program Expenses	Total Program Expenses	<u>Support Services</u>		Total
			<u>Fundraising</u>	<u>Management and General</u>	
Accounting	\$ -	\$ -	\$ -	\$ 3,592	\$ 3,592
Other professional services	117,857	117,857	29,736	19,815	167,408
Office expenses	-	-	-	232	232
Total Expenses	<u>\$ 117,857</u>	<u>\$ 117,857</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 CASH FLOWS**  
**FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in net assets	\$ (71,065)	\$ 37,905
Increase in prepaid expenses	-	(702)
Increase in other assets	(4,900)	-
Net Cash (Used for) / Provided by Operating Activities	(75,965)	37,203
<b>Net Change in Cash and Cash Equivalents</b>	<b>(75,965)</b>	<b>37,203</b>
<b>Cash and Cash Equivalents - Beginning of year</b>	<b>112,225</b>	<b>75,022</b>
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 36,260</b>	<b>\$ 112,225</b>

See accompanying notes and independent accountant's review report.

**CALIFORNIA RICELAND WATERBIRD FOUNDATION**  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2020 AND 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. 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.

**B. Basis of Presentation and Accounting**

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.

**C. 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.

**D. 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.

Contract and grant revenue are recognized as related services are provided and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

**CALIFORNIA RICELAND WATERBIRD FOUNDATION**  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2020 AND 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. 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 without donor restrictions 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, if any, are offset by like amounts included in expenses or additions to property and equipment.

**F. 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.

**G. 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 to be sustained. The Foundation does not believe its financial statements include any uncertain tax positions.

**H. 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.

**I. Subsequent Events**

Subsequent events were evaluated through March 23, 2021, which is the date the financial statements were available to be issued.

**CALIFORNIA RICELAND WATERBIRD FOUNDATION**  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2020 AND 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Recently Adopted Accounting Pronouncements**

*ASU 2014-19 - Revenue from Contracts with Customers (Topic 606):*

The purpose of this standard is to clarify the principles for recognizing revenue and to develop a common revenue standard that would remove inconsistencies and weaknesses in current revenue requirements, provide a more robust framework for addressing revenue issues, improve comparability of practices across entities, and improve disclosure requirements. Adoption of this standard as of August 31, 2020 had no material effect on the Foundation's current year financial statements.

*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. Adoption of this standard as of August 31, 2020 was applied and had no material effect on the Foundation's current year financial statements.

**K. 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, 2022 year end. Management has not yet determined the impact of this accounting standard on the Foundation's operations or cash flows.

*ASU 2018-13 - Fair Value Measurement (Topic 820):*

Under the new guidance, disclosure requirements of fair value measurements in Topic 820, Fair Value Measurement, will be modified to improve effectiveness of disclosures in the notes to the financial statements. Modifications will effect both recurring and nonrecurring fair value measurements and remove, modify, and add certain disclosures. 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 2020-07 - Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958):*

Under the new guidance, not-for-profit entities that receive contributed nonfinancial assets will be required to provide enhanced presentation and disclosures regarding the type and valuation of the receipts of nonfinancial assets. The requirements in the ASU require presentation of the receipt of nonfinancial assets as a separate line item in the statement of activities. The ASU also requires additional disclosures regarding qualitative information about the monetization or utilization of the nonfinancial assets, any donor-imposed restrictions on the use of the nonfinancial assets, and a description of the valuation techniques and inputs used to determine the fair value on the date the nonfinancial assets were received. The amendments in this ASU should be applied on a retrospective basis and are effective for the Foundation's August 31, 2022 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, 2020 AND 2019**

**NOTE 2: LIQUIDITY AND AVAILABILITY**

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

As of August 31, 2020 and 2019, 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, 2020	August 31, 2019
Cash and cash equivalents	\$ <u>36,260</u>	\$ <u>112,225</u>
Financial assets available to meet general expenditures within one year	\$ <u>36,260</u>	\$ <u>112,225</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, 2020, one agency accounted for 15% of total revenues. For the year ended August 31, 2019, one agency accounted for 9% of total revenues.

**NOTE 4: CONTRIBUTED SERVICES RECEIVED FROM RELATED PARTY**

For each of the years ended August 31, 2020 and 2019, 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, 2020 and 2019, the Foundation recognized revenue and related expenses of \$44,049 and \$32,556, 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, 2020, and 2019, the Foundation's total bank balances were \$39,540 and \$112,225, respectively, all of which was insured. The Foundation's book balances as of August 31, 2020 and 2019 totaled \$36,260 and \$112,225, respectively.

**NOTE 6: CONTINGENCIES**

The World Health Organization declared the worldwide coronavirus (COVID-19) outbreak a public health emergency on January 30, 2020 and officially declared it as a pandemic as of March 11, 2020. Management has performed an evaluation of certain financial statement line items such as cash and cash equivalents, prepaid expenses, and other assets, to determine whether valuation or impairment adjustments should be made. Management has determined that the amounts reported on the financial statements are properly valued as of August 31, 2020. However, since the duration and full effects of the COVID-19 outbreak are yet unknown there could be future negative impacts to the financial condition of the Foundation.