
CALIFORNIA RICELAND WATERBIRD FOUNDATION
FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT
FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020

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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, 2021 and 2020, 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 review, 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 29, 2022

CALIFORNIA RICELAND WATERBIRD FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AS OF AUGUST 31, 2021 AND 2020

	2021	2020
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents (Note 5)	\$ 108,794	\$ 36,260
Prepaid expenses and other assets	-	702
Other assets	-	4,900
Total Assets	\$ 108,794	\$ 41,862
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 50	\$ -
Total Liabilities	50	-
Net Assets		
With donor restrictions (Note 7)	15,000	-
Without donor restrictions	93,744	41,862
Total Net Assets	108,744	41,862
Total Liabilities and Net Assets	\$ 108,794	\$ 41,862

See accompanying notes and independent accountant's review report.

CALIFORNIA RICELAND WATERBIRD FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2021

	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>2021 Total</u>
<u>Support and Revenues</u>			
Contributions	\$ 15,000	\$ 322,129	\$ 337,129
Pledges	-	18,000	18,000
In-kind contributions	<u>-</u>	<u>18,004</u>	<u>18,004</u>
Total Support and Revenues	<u>15,000</u>	<u>358,133</u>	<u>373,133</u>
<u>Expenses</u>			
Program expenses	-	244,729	244,729
Management and general	-	44,055	44,055
Fundraising	<u>-</u>	<u>17,467</u>	<u>17,467</u>
Total Expenses	<u>-</u>	<u>306,251</u>	<u>306,251</u>
Change in Net Assets	15,000	51,882	66,882
Net Assets - Beginning of year	<u>-</u>	<u>41,862</u>	<u>41,862</u>
Net Assets - Ending of year	<u>\$ 15,000</u>	<u>\$ 93,744</u>	<u>\$ 108,744</u>

See accompanying notes and independent accountant's review report.

CALIFORNIA RICELAND WATERBIRD FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2020

	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>2020 Total</u>
<u>Support and Revenues</u>			
Contributions	\$ -	\$ 97,532	\$ 97,532
Pledges	<u>-</u>	<u>37,100</u>	<u>37,100</u>
Total Support and Revenues	<u>-</u>	<u>134,632</u>	<u>134,632</u>
<u>Expenses</u>			
Program expenses	-	140,555	140,555
Management and general	-	25,118	25,118
Fundraising	<u>-</u>	<u>40,024</u>	<u>40,024</u>
Total Expenses	<u>-</u>	<u>205,697</u>	<u>205,697</u>
Change in Net Assets	-	(71,065)	(71,065)
Net Assets - Beginning of year	<u>-</u>	<u>112,927</u>	<u>112,927</u>
Net Assets - Ending of year	<u>\$ -</u>	<u>\$ 41,862</u>	<u>\$ 41,862</u>

See accompanying notes and independent accountant's review report.

CALIFORNIA RICELAND WATERBIRD FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2021

		Support Services		
	Program Expenses	Fundraising	Management and General	2021 Total
Accounting	\$ -	\$ -	\$ 5,502	\$ 5,502
Other professional services	244,729	17,467	37,819	300,015
Office expenses	-	-	734	734
Total Expenses	\$ 244,729	\$ 17,467	\$ 44,055	\$ 306,251

See accompanying notes and independent accountant's review report.

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

		Support Services		
	Program Expenses	Fundraising	Management and General	2020 Total
Accounting	\$ -	\$ -	\$ 4,927	\$ 4,927
Other professional services	140,555	40,024	19,815	200,394
Office expenses	-	-	376	376
Total Expenses	\$ 140,555	\$ 40,024	\$ 25,118	\$ 205,697

See accompanying notes and independent accountant's review report.

CALIFORNIA RICELAND WATERBIRD FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020

	2021	2020
<u>Cash Flows from Operating Activities</u>		
Change in net assets	\$ 66,882	\$ (71,065)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
(Increase) decrease in:		
Prepaid expenses	702	-
Other assets	4,900	(4,900)
Increase (decrease) in:		
Accounts payable	50	-
Net Cash Provided by (Used for) Operating Activities	72,534	(75,965)
Net Change in Cash and Cash Equivalents	72,534	(75,965)
Cash and Cash Equivalents - Beginning of year	36,260	112,225
Cash and Cash Equivalents - End of year	\$ 108,794	\$ 36,260

See accompanying notes and independent accountant's review report.

CALIFORNIA RICELAND WATERBIRD FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND AUGUST 31, 2020

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 has net assets with donor restrictions that total \$15,000 as of August 31, 2021. The Foundation did not have any net assets with donor restrictions as of August 31, 2020.

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, 2021 AND AUGUST 31, 2020

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 Statements of Activities and in the Statements 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 29, 2022, which is the date the financial statements were available to be issued.

CALIFORNIA RICELAND WATERBIRD FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND AUGUST 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Recently Adopted Accounting Pronouncements

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. Adoption of this standard as of August 31, 2021 had no significant effect on the Foundation's current year financial statements.

ASU 2018-13 - Fair Value Measurement (Topic 820) Changes to the Disclosure Requirements for Fair Value Measurement

This ASU focuses on improving the effectiveness of disclosures in the notes to financial statements by facilitating clear communication of the information required by U.S. GAAP that is most important to users of each entity's financial statements. Specifically this ASU removes disclosure requirements related to (1) the amount of, and reasons for, transfers between Level 1 and Level 2 of the fair value hierarchy; (2) the policy for timing of transfers between levels; (3) the valuation processes for Level 3 fair value measurements; and (4) for non-public entities, the changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period. In addition, this ASU also modifies disclosure requirements such that (1) in place of a rollforward for Level 3 fair value measurements, a non-public entity is required to disclose transfers into and out of Level 3 of the fair value hierarchy and purchases and issues of Level 3 assets and liabilities; (2) for investments in certain entities that calculate net asset value, an entity is required to disclose the timing of liquidation of an investee's assets and the date that restrictions from redemption might lapse, only if the investee has communicated the timing to the entity or announced the timing publicly; and (3) it is clear that the measurement uncertainty disclosure is to communicate information about the uncertainty in measurement as of the reporting date. The new requirements are effective for the Foundation's August 31, 2021 year-end. Adoption of this standard had no significant 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, 2023 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, 2021 AND AUGUST 31, 2020

NOTE 2: LIQUIDITY AND AVAILABILITY

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

As of August 31, 2021 and 2020, 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:

	<u>August 31, 2021</u>	<u>August 31, 2020</u>
Cash and cash equivalents	\$ <u>108,794</u>	\$ <u>36,260</u>
Total financial assets	108,794	36,260
Less amounts with donor imposed restrictions:	<u>15,000</u>	<u>-</u>
Financial assets available to meet general expenditures within one year	\$ <u>93,794</u>	\$ <u>36,260</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. As of August 31, 2021, two agencies accounted for 78% of total revenues. For the year ended August 31, 2020, one agency accounted for 17% of total revenues.

NOTE 4: CONTRIBUTED SERVICES RECEIVED FROM RELATED PARTY

For each of the years ended August 31, 2021 and August 31, 2020, 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, 2021 and August 31, 2020, the Foundation recognized revenue and related expenses of \$17,467 and \$44,049, 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, 2021 and 2020, the Foundation's total bank balances were \$108,801 and \$39,540, respectively, all of which was FDIC insured. The Foundation's book balances as of August 31, 2021 and August 31, 2020 totaled \$108,794 and \$36,260, respectively.

CALIFORNIA RICELAND WATERBIRD FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND AUGUST 31, 2020

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, 2021. 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.

NOTE 7: NET ASSETS

Net assets with donor restrictions as of August 31, 2021 and 2020 consisted of the following:

	<u>August 31, 2021</u>	<u>August 31, 2020</u>
ACC Salmon Project	\$ <u>15,000</u>	\$ <u>-</u>
Total Net Assets with Donor Restrictions	\$ <u><u>15,000</u></u>	\$ <u><u>-</u></u>