

CALIFORNIA WATERFOWL ASSOCIATION
CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020 and 2019

CALIFORNIA WATERFOWL ASSOCIATION
Roseville, California

CONSOLIDATED FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
California Waterfowl Association and Subsidiaries
Roseville, California

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of California Waterfowl Association and Subsidiaries (the "Association"), which comprise the consolidated statements of financial position as of March 31, 2020 and 2019, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of California Waterfowl Association and Subsidiaries as of March 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) 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 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2021 on our consideration of California Waterfowl Association'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 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 California Waterfowl Association'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 California Waterfowl Association's internal control over financial reporting and compliance.



Crowe LLP

Sacramento, California
January 11, 2021

CALIFORNIA WATERFOWL ASSOCIATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
March 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,635,360	\$ 2,496,195
Accounts receivable	1,517,450	1,200,370
Investment securities (Note 3)	11,109,356	11,269,894
Inventory	1,132,580	902,336
Prepaid expenses and other assets	<u>183,038</u>	<u>238,596</u>
Total current assets	<u>15,577,784</u>	<u>16,107,391</u>
Property and equipment, net (Note 4)	14,694,695	14,578,341
Other non-current assets (Note 5)	2,398,486	2,676,293
Life membership and sponsorship pledges, net of allowance of \$45,000 in 2020 and 2019 (Note 6)	<u>328,847</u>	<u>303,486</u>
Total assets	<u>\$ 32,999,812</u>	<u>\$ 33,665,511</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 945,846	\$ 749,035
Land improvement payable	<u>272,807</u>	<u>41,469</u>
Total current liabilities	<u>1,218,653</u>	<u>790,504</u>
Commitments and contingencies (Note 11)		
Net assets:		
Without donor restrictions	26,924,854	27,942,283
With donor restrictions (Note 8)	<u>4,856,305</u>	<u>4,932,724</u>
Total net assets	<u>31,781,159</u>	<u>32,875,007</u>
Total liabilities and net assets	<u>\$ 32,999,812</u>	<u>\$ 33,665,511</u>

See accompanying notes to consolidated financial statements.

CALIFORNIA WATERFOWL ASSOCIATION
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended March 31, 2020

	2020		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and support:			
Contributions:			
Fundraising events	\$ 3,273,765	\$ -	\$ 3,272,765
Donations and grants	889,728	1,840,533	2,730,261
Life memberships and sponsorships	170,232	-	170,232
Membership dues	98,426	-	98,426
Revenues			
Fundraising events	2,421,618	-	2,421,618
Donations and grants	429,951	-	429,951
State and federal agency grants and contracts	5,549,117	-	5,549,117
Duck stamps	52,258	-	52,258
Life memberships and sponsorships	60,110	-	60,110
Membership dues	54,144	-	54,144
Investment income	338,994	23,216	362,210
Realized and unrealized losses on investments	(1,211,599)	78,349	(1,133,250)
Other income	371,560	-	371,560
Net assets transferred or released from restrictions	<u>2,018,517</u>	<u>(2,018,517)</u>	<u>-</u>
Total revenues and support	<u>14,516,821</u>	<u>(76,419)</u>	<u>14,440,402</u>
Expenses:			
Direct fundraising expenses	<u>3,567,533</u>	<u>-</u>	<u>3,567,533</u>
Program expenses:			
Waterfowl and wetlands projects	5,967,467	-	5,967,467
Membership services and education	2,784,192	-	2,784,192
Governmental affairs	626,979	-	626,979
Other	<u>256,361</u>	<u>-</u>	<u>256,361</u>
Total program expenses	<u>9,634,999</u>	<u>-</u>	<u>9,634,999</u>
Supporting services expenses:			
Fundraising and membership development	1,806,675	-	1,806,675
General administrative	<u>525,043</u>	<u>-</u>	<u>525,043</u>
Total supporting services expenses	<u>2,331,718</u>	<u>-</u>	<u>2,331,718</u>
Total expenses	<u>15,534,250</u>	<u>-</u>	<u>15,534,250</u>
Decrease in net assets	(1,017,429)	(76,419)	(1,093,848)
Net assets, beginning of year	<u>27,942,283</u>	<u>4,932,724</u>	<u>32,875,007</u>
Net assets, end of year	<u>\$ 26,924,854</u>	<u>\$ 4,856,305</u>	<u>\$ 31,781,159</u>

See accompanying notes to consolidated financial statements.

CALIFORNIA WATERFOWL ASSOCIATION
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended March 31, 2019

	2019		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and support:			
Contributions:			
Fundraising events	\$ 3,465,004	\$ -	\$ 3,465,004
Donations and grants	656,095	1,790,325	2,446,420
Life memberships and sponsorships	234,208	-	234,208
Membership dues	85,738	-	85,738
Revenues			
Fundraising events	2,168,043	-	2,168,043
Donations and grants	407,948	-	407,948
State and federal agency grants and contracts	5,856,869	-	5,856,869
Duck stamps	50,171	-	50,171
Life memberships and sponsorships	56,113	-	56,113
Membership dues	46,021	-	46,021
Investment income	390,782	4,563	395,345
Realized and unrealized losses on investments	(120,078)	(178)	(120,256)
Other income	340,550	-	340,550
Net assets transferred or released from restrictions	<u>1,773,002</u>	<u>(1,773,002)</u>	<u>-</u>
Total revenues and support	<u>15,410,466</u>	<u>21,708</u>	<u>15,432,174</u>
Expenses:			
Direct fundraising expenses	<u>3,595,348</u>	<u>-</u>	<u>3,595,348</u>
Program expenses:			
Waterfowl and wetlands projects	6,303,296	-	6,303,296
Membership services and education	2,838,284	-	2,838,284
Governmental affairs	781,208	-	781,208
Other	<u>173,428</u>	<u>-</u>	<u>173,428</u>
Total program expenses	<u>10,096,216</u>	<u>-</u>	<u>10,096,216</u>
Supporting services expenses:			
Fundraising and membership development	1,601,714	-	1,601,714
General administrative	<u>485,752</u>	<u>-</u>	<u>485,752</u>
Total supporting services expenses	<u>2,087,466</u>	<u>-</u>	<u>2,087,466</u>
Total expenses	<u>15,779,030</u>	<u>-</u>	<u>15,779,030</u>
(Decrease) increase in net assets	(368,564)	21,708	(346,856)
Net assets, beginning of year	<u>28,310,847</u>	<u>4,911,016</u>	<u>33,221,863</u>
Net assets, end of year	<u>\$ 27,942,283</u>	<u>\$ 4,932,724</u>	<u>\$ 32,875,007</u>

See accompanying notes to consolidated financial statements.

CALIFORNIA WATERFOWL ASSOCIATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended March 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (1,093,848)	\$ (346,856)
Adjustments to reconcile (decrease) increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	219,337	218,779
Realized and unrealized loss on investments	1,133,250	120,256
Contributions restricted for long-term investment	(380,415)	(50,000)
Effect of changes in:		
Accounts receivable	(317,080)	713,238
Inventory	(230,244)	(30,380)
Prepaid expenses and other assets	55,558	(31,576)
Donation of property and equipment	(96,614)	(47,485)
Other non-current assets	277,807	50,018
Life membership and sponsorship pledges	(11,657)	7,203
Discount on life membership and sponsorship pledges	(13,704)	(8,321)
Local program funding payable	-	(59,909)
Accounts payable, accrued liabilities and land improvement payable	<u>428,149</u>	<u>(163,042)</u>
Net cash (used in) provided by operating activities	<u>(29,461)</u>	<u>371,925</u>
Cash flows from investing activities:		
Proceeds from sales of investment securities	599,230	2,576,388
Purchases of investment securities	(1,571,942)	(707,179)
Purchases of property and equipment	<u>(239,077)</u>	<u>(2,307,636)</u>
Net cash used in investing activities	<u>(1,211,789)</u>	<u>(438,427)</u>
Cash flows from financing activities:		
Contributions restricted for long-term investment	<u>380,415</u>	<u>50,000</u>
Net decrease in cash and cash equivalents	(860,835)	(16,502)
Cash and cash equivalents at beginning of period	<u>2,496,195</u>	<u>2,512,697</u>
Cash and cash equivalents at end of period	<u>\$ 1,635,360</u>	<u>\$ 2,496,195</u>
Supplemental disclosure of non-cash activities		
Donation of property and equipment	\$ 96,614	\$ 47,485

See accompanying notes to consolidated financial statements.

CALIFORNIA WATERFOWL ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended March 31, 2020 and 2019

NOTE 1 – ORGANIZATION

California Waterfowl Association is a not-for-profit organization whose primary purpose is to grow California's waterfowl populations, wetlands and hunter-conservation communities. The Association carries out its mission through waterfowl and wetlands programs, education and governmental affairs. The Association receives funds to further this mission primarily through membership dues, grants, donations and fundraising events. In addition, the Association contracts with governmental agencies and private parties to perform services for the benefit of California's waterfowl and wetlands. The following LLC's are all wholly owned by the Association as the sole member of each LLC. Collectively, California Waterfowl Association and Subsidiaries are referred to as the "Association."

CWA Administration Property, LLC was formed to hold and conduct the administration of the Blue Oaks property.

The Association has formed LLCs for the purpose of holding and conducting the administration of several real estate properties, to include Denverton, Grizzly Ranch, Goose Lake, and Tumblin Lake.

The Association envisions a California with thriving waterfowl populations, vibrant wetland ecosystems and respected hunting communities. To assist in accomplishing this mission, the Association has acquired lands that can be developed and maintained as wetlands and uplands in order to protect the annual life cycle needs of North American waterfowl, and to limit public access so that the balance of the ecosystem remains undisturbed.

CWA Foundation was formed to further the purposes and objectives of the California Waterfowl Association. CWA Foundation's financial statements are consolidated into the Association's financial statements.

In February 2015 the Association received a donation for an 80 percent interest in Ellis Island Farms, Inc. (the "Farm"), which is more commonly known as Quimby Island. The island consists primarily of unimproved land, however, the other assets of the Farm consist of investment securities and various real property that support operations. As no farming activities are conducted, the operations of the Farm consist solely of maintaining and conserving the property as supported by income generated from investment securities and expenditures of the Association. Those activities are recorded in the statement of activities of the Association consistent with their other activities and changes in net assets. The Association's interest in the Farm is recorded in the statement of financial position as other non-current assets.

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of California Waterfowl Association and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Basis of Presentation: The Association presents its consolidated financial statements on the basis of without donor restrictions and with donor restrictions. The accompanying financial statements are presented on the accrual basis of accounting.

Accounting Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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CALIFORNIA WATERFOWL ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended March 31, 2020 and 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Donations Received: Donations received are measured at their fair value and reported as an increase in net assets. The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statements of Activities as net assets released from restrictions.

Transactions with Related Parties: Inventory, property and equipment may be purchased from members of the Board of Directors of the Association. Management believes these transactions are not significant to the Association's financial position, operations or cash flow.

Cash, Cash Equivalents and Investments: Cash and cash equivalents includes highly liquid investments with remaining terms to maturity of three months or less at the date of acquisition. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). At March 31, 2020, the Association had deposits with carrying amounts of \$1,442,030 and bank balances of \$1,536,784. Insured balances totaled \$521,487 and uninsured balances totaled \$1,015,297. At March 31, 2019, the Association had deposits with carrying amounts of \$2,344,982 and bank balances of \$2,271,147. Insured balances totaled \$560,268 and uninsured balances totaled \$1,710,879

The Association carries its investments at estimated fair value based on quoted share values for equity securities and for mutual funds. Changes in estimated fair values are recognized as gains or losses in the statement of activities and changes in net assets as part of realized and unrealized gain (loss) on investments. For investments held by a broker who is a member of the Securities Investor Protection Corporation, the cash is insured up to \$250,000. At March 31, 2020, the Association had deposits with carrying amounts and account balances of \$193,330 all of which was insured at March 31, 2020. At March 31, 2019, the Association had deposits with carrying amounts and account balances of \$151,213 all of which was insured at March 31, 2019.

Concentrations of Credit Risk: Financial instruments that potentially subject the Association to credit risk consist primarily of cash, cash equivalents, accounts receivable and investments. The Association maintains cash and cash equivalents and investments with major financial institutions. At times, the amount of cash may exceed the maximum amount insured by the Federal Deposit Insurance Corporation. However, the Association performs periodic evaluations of the relative credit standing of these institutions. In addition, the Association seeks to maintain a diversified investment portfolio as a means of reducing risk and volatility while generating reasonable rates of returns on those investment securities.

Accounts Receivable: Accounts receivable consist of amounts due from grant activities, fundraising and receivables generated from the normal course of business. Management has determined that all amounts carried as receivables are collectible and, therefore, no allowance for doubtful accounts has been established. Historically, substantially all accounts receivable have been collected as they become due. The Association does not assess interest on outstanding receivable balances.

Inventory: Inventory is stated at the lower of average cost or net realizable value. Shipping costs are capitalized with respect to ending inventories. Donated inventories are recorded at fair value at the date of donation and periodically reviewed for impairment. Fair value is based on appraisals and any subsequent write-downs are charged against program expenses.

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CALIFORNIA WATERFOWL ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended March 31, 2020 and 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment: Property and equipment is stated at cost. Depreciation is computed on the straight-line basis over the estimated useful life of the asset, generally 3 to 40 years. The Association performs a review of long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Life Membership and Sponsorship Pledges: Life membership and sponsorship pledges represent installment payments due after one year from life members and sponsors. Amounts due within one year are included as current accounts receivable. Management estimates an allowance for doubtful accounts based on historical averages for non-payment related to level of membership and payments remaining.

Land Improvement Payable: Land improvement payable represents payables to vendors for services related to land improvements on wetland projects.

Income Taxes: California Waterfowl Association has been granted tax-exempt status by the Internal Revenue Service pursuant to code section 501(c)(3) and also by the California Revenue and Tax Code Section 23701e. Accordingly, no provision for income taxes has been included in the accompanying financial statements. However, the Association files, when necessary, unrelated business income tax returns. The subsidiaries of the Association are not tax-exempt entities but are considered pass-thru entities for tax purposes which are subject to certain minimum tax payments of \$800 each in the state of California.

The Association and its subsidiaries have accounted for uncertainty in income taxes through the use of a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50 percent likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The effect of applying this model and the resulting identification of uncertain tax positions, if any, were not considered significant for financial reporting purposes. Management does not anticipate any changes in unrecognized tax benefits or modeling of those benefits in the next twelve months.

The Association would recognize any interest accrued and penalties related to unrecognized tax benefits in tax expense. During the years ended March 31, 2020 and 2019, the Association did not recognize any interest or penalties. The Association is subject to filing of U.S. Federal and California informational returns. Tax returns remain subject to examination in the U.S. Federal jurisdiction for three years after the return is filed and for four years by the California jurisdiction. There are currently no tax years under examination.

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CALIFORNIA WATERFOWL ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended March 31, 2020 and 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition: The contribution portion of fundraising events, donations and grants and membership dues are recognized when they are received or unconditionally pledged. The contribution portion of life memberships and sponsorships are recognized in full when commitments are received from life members and sponsors at the discounted present value over the life of the memberships.

Contributions of cash and other assets are reported as with donor restrictions support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is accomplished net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as amounts released from restrictions.

Donor-restricted contributions, whose restrictions are met in the same reporting period as the contributions, are included as contributions with donor restrictions and net assets released from restrictions in that period.

Certain properties held by the Association may conduct farming operations. Revenues from farming operations are recorded in the period earned. For the periods ending March 31, 2020 and 2019 revenues from farming operations were not considered significant for financial reporting purposes.

The other revenue portion of fundraising events, donations and grants, state and federal agency grants and contracts, life memberships and sponsorships and membership dues are recognized as follows:

- Fundraising event revenues are recognized based on the estimated fair value of the benefits given to the donors when received.
- State and federal agency grant and contract revenues are recognized as the qualifying expenses are incurred.
- Life membership and life sponsor revenues are recognized based on the fair value of the benefits given to the life members as the life members reach the next level of memberships.

Net Assets: The Association classified its net assets as without donor restrictions and with donor restrictions.

Without donor restrictions – Net assets that are not subject to externally imposed donor restrictions are considered without donor restrictions. Net assets without donor restrictions may be designated for use by the Board of Directors. Such designations limit the area of the Association's operations for which expenditures of designated net assets may be made.

With donor restrictions – Net assets subject to externally imposed restrictions that can be fulfilled by the actions of the Association or the passage of time.

The Association's endowments consist of eight donor-restricted endowment funds established for the purpose of supporting the Hamilton Ranch, Saddleback Ranch, Conaway Ranch, Notch Ranch, High Ridge Ranch, Chickahominy Creek Ranch 3-5, Chickahominy Creek Ranch 4, and Cordelia Slough Preserve. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(Continued)

CALIFORNIA WATERFOWL ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended March 31, 2020 and 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Board of Directors of the Association have interpreted the California Uniform Prudent Management of Institution Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. UPMIFA was enacted in California on September 30, 2008 with an effective date of January 1, 2009. As a result of this interpretation, the Association classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment, if any, made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The Association follows the adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the program supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity.

The investment objective is to optimize earnings on all invested funds, while maintaining the preservation of capital. Risk will be minimized by investing in high quality fixed income instruments. To the extent that corporate obligations are purchased, those purchases will be diversified in terms of issuer and industry sector.

Functional Expense Allocations: Allocations of general and administrative expenses are made to the various Association activities based upon employee service hours and program utilization.

Contributed Services: A substantial number of individuals volunteer time to coordinate and run the Association's events as well as to assist in its general operations. These contributed services of volunteers are not reflected in the financial statements as they do not meet the criteria for recording contributed services.

Reclassifications: Certain reclassifications have been made to the 2019 financial statements in order to conform to the current fiscal year presentation. The reclassifications had no impact on previously reported net assets.

NOTE 3 – INVESTMENT SECURITIES

The Association maintained \$11,109,356 and \$11,269,894 in mutual fund investments at March 31, 2020 and 2019, respectively.

The following presents information about the Association's assets and liabilities measured at fair value on a recurring basis as of March 31, 2020 and 2019, and indicates the fair value hierarchy of the valuation techniques utilized by the Association to determine such fair value based on the hierarchy:

Level 1 – Quoted market prices or identical instruments traded in active exchange markets.

Level 2 – Significant other observable inputs such as quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a reporting entity's own assumptions about the methods that market participants would use in pricing an asset or liability.

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CALIFORNIA WATERFOWL ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended March 31, 2020 and 2019

NOTE 3 – INVESTMENT SECURITIES (Continued)

The Association is required or permitted to record the following assets at fair value on a recurring basis:

	Fair Value Measurements at March 31, 2020			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds:				
Equities	\$ 6,378,688	\$ 6,378,688	\$ -	\$ -
U.S. Treasury Bonds	202,839	-	202,839	-
Corporate Bonds	4,398,671	-	4,398,671	-
Federal Agency securities	129,158	-	129,158	-
Total	\$ 11,109,356	\$ 6,378,688	\$ 4,730,668	\$ -

	Fair Value Measurements at March 31, 2019			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds:				
Equities	\$ 6,623,623	\$ 6,623,623	\$ -	\$ -
U.S. Treasury Bonds	239,452	-	239,452	-
Corporate Bonds	4,387,685	-	4,387,685	-
Federal Agency securities	19,134	-	19,134	-
Total	\$ 11,269,894	\$ 6,623,623	\$ 4,646,271	\$ -

The fair value of Level 1 investment securities equals quoted market prices. Fair value for the Level 2 investment securities was provided by a third-party pricing source which generally uses models or matrices to price these types of investments. The significant inputs used to determine valuation for these types of assets, listed in approximate order of priority for use when available, include benchmark yields, reported trades, broker/dealer quotes, issuer spreads and reference data including market research publications. There were no changes in the valuation techniques used during the years ended March 31, 2020 and March 19.

(Continued)

CALIFORNIA WATERFOWL ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended March 31, 2020 and 2019

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at March 31 consisted of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 12,277,239	\$ 12,277,239
Buildings	2,077,673	1,929,760
Equipment	1,127,510	1,035,571
Furniture and fixtures	120,778	120,778
Vehicles	567,085	568,778
Computers and software	<u>148,321</u>	<u>153,844</u>
	16,318,606	16,085,970
Less accumulated depreciation	<u>(1,623,911)</u>	<u>(1,507,629)</u>
	<u>\$ 14,694,695</u>	<u>\$ 14,578,341</u>

Depreciation expense was \$219,337 and \$218,779 for the years ended March 31, 2020 and 2019, respectively.

NOTE 5 – OTHER NON-CURRENT ASSETS

At March 31, 2020 and 2019 other non-current assets represented the Association's 80 percent interest in Ellis Island Farms, Inc., located on Quimby Island, California. The composition of the other non-current assets includes:

	<u>2020</u>	<u>2019</u>
Land and buildings, at appraised value, net of depreciation	\$ 1,042,861	\$ 1,045,372
Equipment, at appraised value, net of depreciation	154,899	196,876
Cash and investment securities, at fair value	<u>1,947,917</u>	<u>2,192,838</u>
	3,145,677	3,435,086
Less accrued expenses	(147,570)	(89,720)
Less minority interest	<u>(599,621)</u>	<u>(669,073)</u>
	<u>\$ 2,398,486</u>	<u>\$ 2,676,293</u>

(Continued)

CALIFORNIA WATERFOWL ASSOCIATION
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 For the Years Ended March 31, 2020 and 2019

NOTE 6 – LIFE MEMBERSHIP AND SPONSORSHIP PLEDGES

Life membership and sponsorship pledges at March 31 consisted of the following:

	<u>2020</u>	<u>2019</u>
Due within one year (included in accounts receivable)	\$ <u>110,096</u>	\$ <u>104,249</u>
Due beyond one year:		
One to five years	\$ 253,543	\$ 245,117
More than five years	24,006	26,622
Allowance	(45,000)	(45,000)
Discount to present value	<u>(13,798)</u>	<u>(27,502)</u>
Total	\$ <u>328,847</u>	\$ <u>303,486</u>

NOTE 7 – LIQUIDITY AND AVAILABILITY

The Association's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,635,360	\$ 2,496,195
Investment securities	<u>11,109,356</u>	<u>11,269,894</u>
Total financial assets	12,744,716	13,766,089
Less amounts unavailable for general expenditures:		
Net assets with donor restrictions	<u>(4,856,305)</u>	<u>(4,932,724)</u>
Total financial assets available to meet general expenditures over the next twelve months	\$ <u>7,888,411</u>	\$ <u>8,833,365</u>

As part of the Association's liquidity management, the Association invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Association has \$7,888,411 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. None of the financial assets are subject to contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Association has a goal to maintain financial assets, which consist of cash and cash equivalents, to meet three months of normal operating expenses.

(Continued)

CALIFORNIA WATERFOWL ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended March 31, 2020 and 2019

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

During the year ended March 31, 2020 and 2019, net assets with donor restrictions that were released from restriction totaled \$2,018,517 and \$1,773,002, respectively, due to the satisfaction of donor restrictions. Net assets were released for the following purposes:

	<u>2020</u>	<u>2019</u>
Waterfowl and Wetland Programs	\$ 885,625	\$ 550,173
Youth & Education Program	862,088	947,870
Government Affairs	195,325	237,722
Other	<u>75,479</u>	<u>37,237</u>
Total net assets released from restrictions	<u>\$ 2,018,517</u>	<u>\$ 1,773,002</u>

Endowment Net Assets: For the year ended March 31, 2020, gifts of \$380,415 were added to the endowment funds. The principal contributions of \$380,415 in aggregate are to remain intact as a permanent endowment and only the amounts earned as investment income can be expended for monitoring the related easements. For the year ended March 31, 2019, gifts of \$50,000 were added to the endowment funds. The principal contributions of \$50,000 in aggregate are to remain intact as a permanent endowment and only the amounts earned as investment income can be expended for monitoring the related easements.

Changes in endowment net assets for the fiscal years ended March 31, 2020 and 2019 consisted of the following:

Activity by net asset class:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Balance, April 1, 2019	\$ -	\$ 412,075	\$ 412,075
Change in fair value of investments and investment income	-	78,349	78,349
Contributions	-	380,415	380,415
Funds used for donor-intended purpose	<u>-</u>	<u>(2,378)</u>	<u>(2,378)</u>
Balance, March 31, 2020	<u>\$ -</u>	<u>\$ 868,461</u>	<u>\$ 868,461</u>

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Balance, April 1, 2018	\$ -	\$ 362,075	\$ 362,075
Change in fair value of investments and investment income	4,563	-	4,563
Contributions	-	50,000	50,000
Funds used for donor-intended purpose	<u>(4,563)</u>	<u>-</u>	<u>(4,563)</u>
Balance, March 31, 2019	<u>\$ -</u>	<u>\$ 412,075</u>	<u>\$ 412,075</u>

As of March 31, 2020, and 2019, there were no aggregate amounts of funds for which the fair value of the assets held is less than the level required by donor stipulation or law.

(Continued)

CALIFORNIA WATERFOWL ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended March 31, 2020 and 2019

NOTE 9 – FUNCTIONAL EXPENSE ALLOCATIONS

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses, such as salaries and benefits, travel, entertainment and meeting expense, depreciation, depletion and amortization, and occupancy, are allocated among supporting administrative expenses and program administrative expenses based on employee ratios and estimates of time and effort made by the Association’s management.

	2020			
	Program Expenses	Fundraising and Membership Development	General Administration	Total
Salaries and benefits	\$ 2,927,070	\$ 1,205,503	\$ 266,226	\$ 4,398,799
Land improvements	4,340,126	-	-	4,340,126
Professional services	85,883	2,234	24,021	112,138
Occupancy	224,967	10,162	9,088	244,217
Depreciation, depletion and amortization	105,063	29,172	85,102	219,337
Travel, entertainment and meetings	231,002	98,071	5,162	334,235
Office expense	534,296	157,239	35,917	727,452
Information technology	4,578	2,710	-	7,288
Interest and investment fees	3,553	708	7,613	11,874
Property taxes	81,044	-	7,976	89,020
Duck stamps	88,968	-	-	88,968
Insurance	139,217	20,546	49,756	209,519
Printing	119,346	-	-	119,346
Outside labor	261,736	68,737	5,364	335,837
Lobbying	50,242	-	-	50,242
Other	437,908	211,593	28,818	678,319
Direct fundraising expenses	-	3,567,533	-	3,567,533
Total expenses	\$ 9,634,999	\$ 5,374,208	\$ 525,043	\$ 15,534,250

	2019			
	Program Expenses	Fundraising and Membership Development	General Administration	Total
Salaries and benefits	\$ 2,776,574	\$ 1,217,115	\$ 268,770	\$ 4,262,459
Land improvements	4,923,166	-	-	4,923,166
Professional services	77,243	1,548	20,534	99,325
Occupancy	296,825	11,070	8,051	315,946
Depreciation, depletion and amortization	104,795	29,098	84,886	218,779
Travel, entertainment and meetings	184,497	76,124	15,468	276,089
Office expense	387,838	112,141	29,750	529,729
Information technology	5,390	1,225	-	6,615
Interest and investment fees	3,451	690	9,158	13,299
Property taxes	72,243	-	8,225	80,468
Duck stamps	73,607	-	-	73,607
Insurance	176,266	12,029	16,581	204,876
Printing	119,424	-	-	119,424
Outside labor	248,910	2,646	5,115	256,671
Lobbying	35,595	-	-	35,595
Other	610,392	138,028	19,214	767,634
Direct fundraising expenses	-	3,595,348	-	3,595,348
Total expenses	\$ 10,096,216	\$ 5,197,062	\$ 485,752	\$ 15,779,030

(Continued)

CALIFORNIA WATERFOWL ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended March 31, 2020 and 2019

NOTE 10 – EMPLOYEE BENEFIT PLAN

In July 2010, the Association established a 401(k) plan covering substantially all employees. The plan provides for discretionary matching and other contributions determined annually. Employees must complete 1,000 hours of service and six months of employment to be eligible to participate. Employer contributions vest over a period of six years. For the years ending March 31, 2020 and 2019, the Association contributed \$100,403 and \$92,497 to the plan, respectively.

NOTE 11 – CONTINGENCIES

From time to time, the Association is a party to certain legal proceedings arising out of the ordinary course of business, the outcomes of which individually or in the aggregate, in the opinion of the Association's management, would not have a material adverse effect on the Association's business, financial position or results of operations.

The Association has received federal and state funds for specific purposes that are subject to review and audit by grantor agencies. Although such audits could result in expenditure disallowances under terms of grants, it is management's opinion that any required reimbursements or future revenue offsets subsequently determined will not have a material effect on the Association's financial statements.

NOTE 12 – COVID-19

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the Association could be materially adversely affected. The extent to which the coronavirus may impact business activity will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

NOTE 13 – SUBSEQUENT EVENTS

The Association has evaluated subsequent events through January 11, 2021 the date on which the financial statements were available to be issued, and no subsequent events have occurred requiring accrual or disclosure.

SUPPLEMENTAL INFORMATION

CALIFORNIA WATERFOWL ASSOCIATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For Year Ended March 31, 2020

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF THE INTERIOR:		
North American Wetlands Conservation Act (NAWCA) Programs:		
Fish and Wildlife Service, NAWCA Look Out Ranch	15.623	\$ 94,698
Fish and Wildlife Service, NAWCA CA Delta Yolo Basin II	15.623	172,165
Fish and Wildlife Service, NAWCA Sacramento Valley Wetlands II	15.623	484,969
Fish and Wildlife Service, NAWCA Suisan wetlands Conservation II	15.623	292,082
Fish and Wildlife Service, NAWCA Grasslands Ecological Area I	15.623	166,832
Fish and Wildlife Service, NAWCA Suisan wetlands Conservation III	15.623	37,032
Fish and Wildlife Service, NAWCA NE California Enhancement IV	15.623	<u>475,321</u>
Subtotal NAWCA Programs		<u>1,723,099</u>
Partners for Fish and Wildlife Programs:		
Fish and Wildlife Service, Sprig Meadows	15.631	26,591
Fish and Wildlife Service, Sac Valley and Foothills Enhancements	15.631	14,169
Fish and Wildlife Service, Sac River Watershed Meadows	15.631	22,385
Fish and Wildlife Service, Sac Valley Sierra Meadows	15.631	54,540
Fish and Wildlife Service, Sac Valley Habitat Improvement	15.631	<u>7,998</u>
Subtotal Partners for Fish and Wildlife Programs		<u>125,683</u>
Migratory Bird Joint Venture Programs:		
Fish and Wildlife Service, Central Valley Joint Venture II	15.637	<u>68,942</u>
Migratory Bird Conservation Programs:		
Fish and Wildlife Service, Service Volunteer at Humboldt	15.647	<u>94,306</u>
Fish and Wildlife Service, Service Volunteer at Sac Refuge	15.676	<u>39,691</u>
Total U.S. Department of the Interior		<u>2,051,721</u>
U.S. DEPARTMENT OF THE AGRICULTURE:		
Direct programs:		
Wetlands Reserve Program	10.072	\$ 635,892
Wetlands Reserve Program – Houchin Easement 1	*	48,017
Wetlands Reserve Program – Houchin Easement 2	*	22,848
Wetlands Reserve Program – Wilcox	*	40,000
Wetlands Reserve Program – Technical Assistance	10.931	<u>65,916</u>
Total U.S. Department of Agriculture		<u>812,673</u>
Total expenditures of federal awards		<u>\$ 2,864,394</u>

* CFDA Number not available

See accompanying note to the schedule of expenditures of federal awards.

CALIFORNIA WATERFOWL ASSOCIATION
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended March 31, 2020

NOTE 1 – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditure of Federal Awards includes the federal award activity of the Association and is presented on the accrual basis of accounting. The information in this schedule 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 (Uniform Guidance)*. Expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-21, Cost Principles or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. The Association has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

The Association receives all grants directly from the Federal Grantor Agency and does not pass through any amounts to sub-recipients. During the year ended March 31, 2020, the Association did not receive any noncash awards.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED UPON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
California Waterfowl Association
Roseville, California

We have audited, in accordance with the 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, the financial statements of California Waterfowl Association, which comprise the consolidated statement of financial position as of March 31, 2020, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 11, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered California Waterfowl Association'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 California Waterfowl Association's internal control. Accordingly, we do not express an opinion on the effectiveness of California Waterfowl Association'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 entity'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 may exist that have not been identified.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether California Waterfowl Association'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Crowe LLP

Sacramento, California
January 11, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

To the Board of Directors of
California Waterfowl Association
Roseville, California

Report on Compliance for Each Major Federal Program

We have audited California Waterfowl Association's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of California Waterfowl Association's major federal programs for the year ended March 31, 2020. California Waterfowl Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of California Waterfowl Association's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about California Waterfowl Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of California Waterfowl Association's compliance.

Opinion on Each Major Federal Program

In our opinion, California Waterfowl Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2020.

(Continued)

Report on Internal Control Over Compliance

Management of California Waterfowl Association is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered California Waterfowl Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of California Waterfowl Association's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.


Crowe LLP

Sacramento, California
January 11, 2021

CALIFORNIA WATERFOWL ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2020

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____	Yes	<u> X </u>	None reported

Noncompliance material to financial statements noted?

	_____	Yes	<u> X </u>	No
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FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____	Yes	<u> X </u>	None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a) _____ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
15.623	North American Wetlands Conservation Act (NAWCA) Programs

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low risk auditee? _____ Yes X No

(Continued)

CALIFORNIA WATERFOWL ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

CALIFORNIA WATERFOWL ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2020

SECTION III – FEDERAL AWARD FINDINGS

No matters were reported.

(Continued)

CALIFORNIA WATERFOWL ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2020

SECTION IV – PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no findings for the year ended March 31, 2019.