

Financial Statements

Western Association of Fish and Wildlife Agencies and Affiliates
(a nonprofit organization)

Consolidated Financial Statements and Supplementary Information
Year Ended June 30, 2020



Table of Contents

Independent Auditors' Report	3
Financial Statements	
Consolidated Statement of Financial Position	6
Consolidated Statement of Activities	7
Consolidated Statement of Functional Expenses	8
Consolidated Statement of Cash Flows	9
Notes to Consolidated Financial Statements	10
Federal Awards Reports in Accordance with the Single Audit Act and Uniform Guidance	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	22
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	24
Schedule of Expenditures of Federal Awards	26
Notes to Schedule of Expenditures of Federal Awards	28
Schedule of Findings and Questioned Costs	29
Schedule of Prior Audit Findings	31
Supplementary Information	
Consolidating Statement of Financial Position	33
Consolidating Statement of Activities	34

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Western Association of Fish and Wildlife Agencies and Affiliates
Boise, Idaho

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Western Association of Fish and Wildlife Agencies and Affiliates (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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 misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the 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 financial statements.

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





Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Western Association of Fish and Wildlife Agencies and Affiliates as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by the 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 the purpose of additional analysis, and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020, on our consideration of Western Association of Fish and Wildlife Agencies and Affiliates' 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 the Western Association of Fish and Wildlife Agencies and Affiliates' 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 Western Association of Fish and Wildlife Agencies and Affiliates' internal control over financial reporting and compliance.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information 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 financial statements.



The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional 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.

Harris CPAs

Meridian, Idaho
November 20, 2020



WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2020

ASSETS

Current Assets

Cash and cash equivalents	\$ 5,618,354
Investments	32,609,496
Accounts receivable, net	330,989
Grants receivable	160,697
Prepaid expenses	<u>112,948</u>

Total Current Assets 38,832,484

Property and Equipment, net 11,427,016

Total Assets \$ 50,259,500

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 367,861
Accrued liabilities and payroll costs	99,392
Refundable advance	143,600
Deferred revenue	<u>130,250</u>

Total Liabilities 741,103

Net Assets

Without donor restrictions	1,312,364
With donor restrictions	<u>48,206,033</u>

Total Net Assets 49,518,397

Total Liabilities and Net Assets \$ 50,259,500

See notes to financial statements.

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenues and Other Support			
Contributions	\$ 149,993	\$ 0	\$ 149,993
Grants and contracts	1,543,854	622,000	2,165,854
Enrollment and impact fees	0	36,741	36,741
Conferences	345,124		345,124
Membership dues and assessments	540,724		540,724
Net investment return	<u>167</u>	<u>63,938</u>	<u>64,105</u>
	2,579,862	722,679	3,302,541
Net assets released from restriction	<u>3,446,019</u>	<u>(3,446,019)</u>	<u>0</u>
 Total Revenue and Other Support	 6,025,881	 (2,723,340)	 3,302,541
Expenses			
Program services:			
Conservation	2,271,856		2,271,856
Grant	1,419,675		1,419,675
Conferences and workshops	<u>248,295</u>	<u></u>	<u>248,295</u>
 Total Program Services	 3,939,826	 0	 3,939,826
Support services			
Management and general	1,288,312		1,288,312
Fundraising	<u>406,782</u>	<u></u>	<u>406,782</u>
 Total Support Services	 <u>1,695,094</u>	 <u>0</u>	 <u>1,695,094</u>
 Total Expenses	 <u>5,634,920</u>	 <u>0</u>	 <u>5,634,920</u>
 Change in Net Assets	 390,961	 (2,723,340)	 (2,332,379)
Net Assets			
Beginning of Year	<u>921,403</u>	<u>50,929,373</u>	<u>51,850,776</u>
 End of Year	 <u>\$ 1,312,364</u>	 <u>\$ 48,206,033</u>	 <u>\$ 49,518,397</u>

See notes to financial statements.

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020

	Program Services				Management and General	Fundraising	Total
	Conservation	Grant	Conferences & Workshops	Total Program			
Grants and other assistance	\$ 2,188,584	\$ 711,406	\$ 0	\$ 2,899,990	\$ 0	\$ 0	\$ 2,899,990
Professional services	61,602	128,008	51,153	240,763	312,849	352,407	906,019
Salaries and wages	20,061	391,634		411,695	380,974		792,669
Information technology		1,948	12,681	14,629	274,053		288,682
Office expenses	11	45,048	31,834	76,893	66,614	52,217	195,724
Travel		52,869	36,147	89,016	36,993	247	126,256
Conference and meetings		1,607	116,395	118,002	850		118,852
Employee benefits	159	52,511		52,670	44,513		97,183
Depreciation					90,274		90,274
Payroll taxes	1,439	34,644		36,083	31,507		67,590
Occupancy					29,689		29,689
Insurance					17,726		17,726
Miscellaneous			85	85	2,270	1,911	4,266
Total Expenses	<u>\$ 2,271,856</u>	<u>\$ 1,419,675</u>	<u>\$ 248,295</u>	<u>\$ 3,939,826</u>	<u>\$ 1,288,312</u>	<u>\$ 406,782</u>	<u>\$ 5,634,920</u>

See notes to financial statements.

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2020

Cash Flow From Operating Activities

Change in net assets	\$ (2,332,379)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	90,274
Net realized and unrealized gain on investments	1,044,797
Loss on disposal of equipment	1,317
Changes in operating assets and liabilities:	
Accounts receivable	183,983
Grant receivable	(160,697)
Prepaid expenses	(26,484)
Accounts payable	(148,011)
Accrued liabilities and payroll costs	1,234
Refundable advance	143,600
Deferred revenue	<u>(91,070)</u>
Net Cash Provided (Used) by Operating Activities	(1,293,436)

Cash Flow From Investing Activities

Proceeds from sale of investments	18,881,172
Proceeds from sale of equipment	11,310
Purchase of investments	<u>(13,849,195)</u>
Net Cash Provided (Used) by Investing Activities	<u>5,043,287</u>

Net Change in Cash and Cash Equivalents	3,749,851
---	-----------

Cash and Cash Equivalents, Beginning of Year	<u>1,868,503</u>
--	------------------

Cash and Cash Equivalents, End of Year	<u>\$ 5,618,354</u>
--	---------------------

See notes to financial statements.

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies

Nature of Organization

The Western Association of Fish and Wildlife Agencies (WAFWA) and its supporting foundations, Foundation for Western Fish and Wildlife (FWFW) and Species Restoration Foundation (SRF), represents 24 states and Canadian provinces, an area covering nearly 3.7 million square miles of some of North America's most wild and scenic country. WAFWA's reach encompasses more than 40 percent of North America, including two-thirds of the United States. WAFWA supports sound resource management and building partnerships at all levels to conserve wildlife for the use and benefit of all citizens, now and in the future.

Principles of Consolidation

The accompanying financial statements present the consolidation of the financial statements of WAFWA and its supporting foundations, FWFW and SRF, which are under common control. Inter-entity accounts and transactions are eliminated in consolidation.

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization reports net assets, revenues, expenses, gains and losses which are classified according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

Accounting Pronouncements Adopted

For the year ended June 30, 2020, the Organization adopted Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). Provisions of this guidance require expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standard effective July 1, 2019, the first day of the Organization's fiscal year, using the modified retrospective method, which requires that the cumulative effect of initially applying the provisions related to the ASU be recognized at the date of initial application.

The Organization determined that there was no significant impact as a result of the adoption of the new standards and no cumulative adjustment was recorded as a result of the adoption. There was no adjustment or impact to net assets or changes in net assets.

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted for use or other long-term purposes are excluded from this definition.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist principally of cash. Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At June 30, 2020, the Organization had uninsured balances of \$1,256,550.

The Organization received approximately 39% of its revenues and support from federal agencies for the years ended June 30, 2020. Changes in federal funding would substantially impact the Association.

Accounts Receivable

Accounts receivable consist primarily of membership dues and assessments for WAFWA. Management considers all of the receivables collectible.

Grants Receivable

Grants receivable consist of outstanding amounts that have been earned as of the end of the fiscal year per the terms of the grant. Grants receivable consist of amounts from both federal and state government agencies.

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Marketable Securities and Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Property and Equipment

The Organization records property and equipment additions over \$3,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to thirty-nine years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Software Development Costs

When the Organization implements on premise software for internal use, software development costs incurred during the planning and post implementation phases, as well as minor enhancements and maintenance, are expensed as incurred. Once the preliminary project stage is complete and management authorizes the project, qualifying application development costs are capitalized. Capitalization ends when the project is substantially complete and ready for its intended use. The capitalized costs are included in property and equipment and are amortized using a straight-line basis over the estimated useful life of the software.

Deferred Revenue

Deferred revenue consists of membership fees received that have not yet been earned by the Organization.

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Fair Value

The Organization uses fair value for reporting financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the statements of financial position, which approximates fair value due to their short term, highly liquid nature.

Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets are received. Revenue from enrollment and impact fees for SRF and dues and assessments for WAFWA are recognized when billed.

Functional Allocation of Expense

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. Rent, professional fees, depreciation, and insurance have been allocated based on the percentage of hours worked on each grant. Administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Grants and Contracts

Grant and contract revenue received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted grants and contracts are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), 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. Grant and contract revenue received with restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Compensated Absences

the Organization's regular full-time employees accrue paid time off (PTO) during the year based on the length of employment. Regular part-time employees accrue PTO on a pro-rata basis. At any time, PTO hours may be accrued to a maximum of one and one-half times the annual accrual.

Income Taxes

WAFWA, SRF, and FFWF are organized as Idaho nonprofit corporations. WAFWA and SRF have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(4). FFWF has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organizations described in Section 501(c)(3), qualifies for the charitable contributions deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that each entity is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal years 2020 or 2019.

The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2016.

Subsequent Events

The Organization has evaluated subsequent events through November 20, 2020, which is the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact operations; however the related financial impact and duration cannot be reasonably estimated at this time.

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES

NOTES TO FINANCIAL STATEMENTS

Note B – Liquidity and Availability of Resources

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

Cash and cash equivalents	\$ 5,618,354
Investments	32,609,496
Accounts receivable	330,989
Grants receivable	<u>160,697</u>
Total financial assets available within one year	38,719,536

Less amounts unavailable for general expenditures within one year, due to:

Restricted by donors with purpose restrictions	<u>(37,274,333)</u>
--	---------------------

Total financial assets available within one year after restriction	<u>\$ 1,445,203</u>
--	---------------------

As part of the Organization'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. At June 30, 2020, all net assets with donor restrictions are available for payment of (any major expenditures incurred), except for accounts receivable which are available when the receivable is collected which is expected within the next year and the expenditure is incurred. To help manage unanticipated liquidity needs, the Center has a line of credit of \$100,000 which it could draw upon.

Note C – Fair value of Assets and Liabilities

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
Level 2	Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value instrument.

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES

NOTES TO FINANCIAL STATEMENTS

Note C – Fair value of Assets and Liabilities (Continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

A significant portion of investment assets are classified within Level 1 because they are comprised of open-end mutual funds and securities with readily determinable fair values based on daily redemption values. The organization invests in fixed income securities traded in the financial markets. Those investments are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions, and are classified within Level 2. There are no investments considered to be Level 3 measurements.

The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value measured on a recurring basis as of June 30, 2020:

	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
International equities	\$ 6,716,300	\$ 6,716,300	\$ 0	\$ 0
Fixed income securities	15,618,713		15,618,713	
Real estate funds	1,526,179	1,526,179		
U.S. equities	<u>8,748,304</u>	<u>8,748,304</u>		
Total	<u>\$ 32,609,496</u>	<u>\$ 16,990,783</u>	<u>\$ 15,618,713</u>	<u>\$ 0</u>

Note D – Investments

Investments as of June 30, 2020, are summarized as follows:

Cost	\$ 34,272,623
Unrealized loss	<u>(1,663,127)</u>
Total	<u>\$ 32,609,496</u>

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES
NOTES TO FINANCIAL STATEMENTS

Note D – Investments (Continued)

Investment income consists of the following for the years ended June 30, 2020:

Interest and dividends	\$ 1,333,814
Fees	(224,912)
Net realized and unrealized gain on investments	<u>(1,044,797)</u>
Total	<u>\$ 64,105</u>

Note E – Property and Equipment

At June 30, property and equipment consisted of the following:

Land	\$ 9,250,000
Land easement	1,552,597
Building	650,000
Software	730,744
Furniture and equipment	<u>180,759</u>
	12,364,100
Less accumulated depreciation	<u>(937,084)</u>
	<u>\$ 11,427,016</u>

Note F – Line of Credit

During 2020, the Organization had a \$100,000 revolving line of credit with a bank with a maturity date of January 15, 2021. The line of credit bears interest at a variable rate based on the three-month LIBOR rate plus 3%. There was no balance due on the line of credit at June 30, 2020.

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES

NOTES TO FINANCIAL STATEMENTS

Note G – Refundable Advance

In April 2020, the Organization was granted a loan (the “PPP Loan”) from Zions First National Bank in the amount of \$143,600, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The PPP Loan matures in April 2022 and bears interest at a rate of 1.00% per annum, payable monthly commencing in November 2020. The Organization may only use funds from the PPP Loan for purposes specified in the CARES Act and related PPP rules, which include payroll costs, costs used to continue group health care benefits, rent, and utilities; other uses will constitute a default under the PPP Loan. Under the terms of the PPP, certain amounts of the PPP Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act during the 24-week period commencing on the date of disbursement of the PPP Loan. The Organization considers the conditions of this contribution to have been substantially met once the lender has approved forgiveness of the PPP Loan. At June 30, 2020, the entire balance of the PPP Loan has been recorded as a refundable advance, as approval for forgiveness was not received as of June 30, 2020. Subsequent to year end in November 2020, the SBA approved the forgiveness of the loan including any accrued interest.

Note H – Net Assets

The Organization reports net assets according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. All net assets with donor restrictions are restricted for the purpose of use within the program for which the grants or donations were received.

The detail of the Organization’s net asset categories at June 30, 2020, is as follows:

Without donor restrictions:	
Undesignated surplus	\$ 714,865
Invested in property and equipment	<u>597,499</u>
Total without donor restrictions	1,312,364
With donor restrictions:	
Lesser Prairie Chicken Initiative	48,166,657
Open Rivers Project	<u>39,376</u>
Total with donor restrictions	<u>48,206,033</u>
Total net assets	<u>\$ 49,518,397</u>

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES

NOTES TO FINANCIAL STATEMENTS

Note I – Retirement Plan

The Organization has a 401(k) Profit Sharing Plan available to all eligible employees. The Plan is available to eligible employees of the Organization and is self-directed by participants. Employees are allowed to make elective deferrals up to the maximum allowed by law (based on a calendar year). The Organization contributes up to five percent of an employee's eligible wages to the Plan. For the year ended June 30, 2020, retirement expense totaled \$35,524.

Note J – Leases

The Organization leases office space and a copier under non-cancelable operating lease agreements, both expiring in 2024. Future minimum lease payments as of June 30, 2020 are as follows:

2021	\$	49,363
2022		50,388
2023		51,557
2024		52,386
2025		<u>21,208</u>
	\$	<u>224,902</u>

Rent expense under the operating lease for the year ended June 30, 2020 totaled \$32,249.

Note K – Contingencies

The Organization receives a portion of its revenues from government grants and contracts, all of which are subject to audit by the federal government. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the government. Until such audits have been completed and a final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES

NOTES TO FINANCIAL STATEMENTS

Note L – Conservation Easements

As a condition of administering the Lesser Prairie Chicken Initiative SRF must place a certain amount of acreage into conservation easements. The initiative requires a certain amount of the easements to be permanently protected along with the temporarily restricted land.

SRF also enters into temporary conservation easements, typically 10-year agreements in which Landowners receive payments for enrolling their property into the program and completing certain performance requirements. Contract payments are made from the main conservation endowment. Permanent conservation payments have individual endowments which are for that specific property. Total Payments under the program for the year ended June 30, 2020 were \$1,826,726. Management estimates that future payments based on current enrollments will be as follows:

2021	\$ 2,155,523
2022	2,060,747
2023	2,103,070
2024	2,131,546
2025	2,154,025
Thereafter	<u>1,594,113</u>
	<u>\$ 12,199,024</u>

Note M – Economic Dependence

The Organization received a major portion of the current year revenues from federal awards and is dependent on the continuance of such grants for its existence at current program levels. Management is of the opinion that it will continue to operate if some of the funding sources are no longer available.

**FEDERAL AWARDS REPORTS IN ACCORDANCE WITH THE SINGLE AUDIT ACT
AND UNIFORM GUIDANCE**

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

To the Board of Directors
Western Association of Fish and Wildlife Agencies and Affiliates
Boise, Idaho

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 consolidated financial statements of Western Association of Fish and Wildlife Agencies and Affiliates (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Western Association of Fish and Wildlife Agencies and Affiliates' internal control over financial reporting (internal control) to determine the 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 Western Association of Fish and Wildlife Agencies and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.





Compliance and Other Matters

As part of obtaining reasonable assurance about whether Western Association of Fish and Wildlife Agencies and Affiliates' consolidated financial statements are free of 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 determination of financial statement amounts. 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Harris CPAs

Meridian, Idaho
November 20, 2020

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Western Association of Fish and Wildlife Agencies and Affiliates
Boise, Idaho

Report on Compliance for Each Major Federal Program

We have audited Western Association of Fish and Wildlife Agencies and Affiliates' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Western Association of Fish and Wildlife Agencies and Affiliates' major federal programs for the year ended June 30, 2020. All of Western Association of Fish and Wildlife Agencies and Affiliates' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Western Association of Fish and Wildlife Agencies and Affiliates' 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 of Western Association of Fish and Wildlife Agencies and Affiliates' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provided a reasonable basis for our opinion on compliance for each federal program. However, our audit does not provide a legal determination of Western Association of Fish and Wildlife Agencies and Affiliates' compliance.





Opinion on Each Major Federal Program

In our opinion, of Western Association of Fish and Wildlife Agencies and Affiliates complied, in all material respects, with the type 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 June 30, 2020.

Report on Internal Control over Compliance

Management of Western Association of Fish and Wildlife Agencies and Affiliates 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 of Western Association of Fish and Wildlife Agencies and Affiliates' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing our 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 Western Association of Fish and Wildlife Agencies and Affiliates' 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.

Harris CPAs

Meridian, Idaho
November 20, 2020

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF THE INTERIOR			
Direct program:			
Fish and Wildlife Management Assistance	15.608	N/A	\$ 110,289
Direct program:			
State Wildlife Grants	15.634	N/A	111,906
Migratory Bird Joint Venture			
Direct Award	15.637	N/A	568,998
Passthrough Pheasants Forever	15.637	F15AC01136	10,773
Passthrough Ducks Unlimited	15.637	F16AC00151	<u>3,525</u>
			583,296
Direct program:			
Adaptive Science	15.670	N/A	126,179
Passthrough the National Parks Service	15.945	NPSP18AC00498	37,880
USFWS & Wildlife Restoration Act			
Passthrough KDWPT	15.611	W-97-R-1	124,144
Passthrough ODWC	15.611	W-193-R-1	2,490
Passthrough CSU	15.611	G-63714-01	<u>5,565</u>
			132,199
Multi-State Conservation Program			
Direct Award	15.628	N/A	10,246
Passthrough the Association of Fish and Wildlife Agencies	15.628	F13AP00136	<u>28,216</u>
			38,462
Direct program:			
Fish and Wildlife Coordination and Assistance	15.664	N/A	8,000

See notes to schedule of expenditures of federal awards.

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2020

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Fish, Wildlife, Plant Conservation Resources			
Direct Award	15.231	N/A	145,360
Passthrough NFWF	15.231	60847	<u>17,743</u>
			163,103
Passthrough the Nevada Department of Wildlife	15.605	F19AF00350	12,833
Passthrough the Utah Division of Wildlife Resources	15.605	F19AF00449	12,833
Passthrough the Wyoming Game and Fish Department	15.605	F18AF00557	12,833
Passthrough the Oregon Department of Fish and Wildlife	15.605	F18AF00580	<u>12,833</u>
			<u>51,332</u>
Total Department of Interior			<u>1,362,646</u>
U.S. DEPARTMENT OF AGRICULTURE			
Direct Program:			
Soil and Water Conservation	10.902	N/A	<u>3,781</u>
Total expenditures of federal awards			<u>\$ 1,366,427</u>

See notes to schedule of expenditures of federal awards.

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards include the federal award activity of Western Association of Fish and Wildlife Agencies and Affiliates under programs of the federal government for the year ended June 30, 2020. 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). Because the Schedule presents only a selected portion of the operations of Western Association of Fish and Wildlife Agencies and Affiliates, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Western Association of Fish and Wildlife Agencies and Affiliates

Note B – Summary of Significant Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate

Western Association of Fish and Wildlife Agencies and Affiliates has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Section I – Summary of Audit Results

Financial Statements:

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	_____ yes <u> X </u> no
• Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes <u> X </u> none reported
Noncompliance material to the financial statements noted?	_____ yes <u> X </u> no

Federal Awards:

Internal control over major programs:	
• Material weakness identified?	_____ yes <u> X </u> no
• Significant deficiencies identified that are not considered to be material weaknesses?	_____ 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 the Uniform Guidance 2 CFR 200.516?	_____ yes <u> X </u> no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
15.608	Fish and Wildlife Management Assistance
15.634	State Wildlife Grants
15.670	Adaptive Science

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as a low-risk auditee?	<u> X </u> yes _____ no

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2020

Section II – Financial Statement Findings

No findings related to the financial statements were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS).

Section III – Federal Award Findings and Questioned Costs

No findings related to the federal awards were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS).

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2020

There were no prior audit findings.

SUPPLEMENTAL INFORMATION

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2020

	WAFWA	SRF	FWFW	Eliminating Entries	Consolidated Totals
Assets					
Current Assets					
Cash and cash equivalents	\$ 605,455	\$ 4,588,720	\$ 424,179	\$ 0	\$ 5,618,354
Investments		32,609,496			32,609,496
Accounts receivable	293,842	36,741	406		330,989
Grants and contracts receivable	160,697				160,697
Due from affiliates	5,373	344,841		(350,214)	0
Prepaid expenses	112,948				112,948
Total Current Assets	1,178,315	37,579,798	424,585	(350,214)	38,832,484
Property and Equipment	597,499	10,829,517			11,427,016
Total Assets	<u>\$ 1,775,814</u>	<u>\$ 48,409,315</u>	<u>\$ 424,585</u>	<u>\$ (350,214)</u>	<u>\$ 50,259,500</u>
Liabilities and Net Assets					
Liabilities					
Accounts payable	\$ 153,667	\$ 200,320	\$ 13,874	\$ 0	\$ 367,861
Due to affiliates	344,841	5,369	4	(350,214)	0
Accrued liabilities and payroll costs	62,392	36,969	31		99,392
Refundable advances	143,600				143,600
Deferred revenue	130,250				130,250
Total Liabilities	834,750	242,658	13,909	(350,214)	741,103
Net Assets					
Without donor restrictions	941,064		371,300		1,312,364
With donor restrictions		48,166,657	39,376		48,206,033
Total Net Assets	941,064	48,166,657	410,676	0	49,518,397
Total Liabilities and Net Assets	<u>\$ 1,775,814</u>	<u>\$ 48,409,315</u>	<u>\$ 424,585</u>	<u>\$ (350,214)</u>	<u>\$ 50,259,500</u>

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

	WAFWA		SRF		FWFW		Eliminating Entries		Without Donor	With Donor
	Without Donor	With Donor	Without Donor	With Donor	Without Donor	With Donor	Without Donor	With Donor	Restrictions	Restrictions
	Restrictions	Restrictions	Restrictions	Restrictions	Restrictions	Restrictions	Restrictions	Restrictions	Total	Total
Revenue and Other Support										
Contributions	\$ 125,048	\$ 0	\$ 0	\$ 0	\$ 149,635	\$ 0	\$ (124,690)	\$ 0	\$ 149,993	\$ 0
Grants and contracts	1,543,854		159,989			622,000	(159,989)		1,543,854	622,000
Enrollment and impact fees				36,741					0	36,741
Conferences	345,124								345,124	0
Membership dues and assessments	540,724								540,724	0
Net investment return	167			63,938					167	63,938
Other income			361,859				(361,859)		0	0
	2,554,917	0	521,848	100,679	149,635	622,000	(646,538)	0	2,579,862	722,679
Net assets released from restriction			2,863,395	(2,863,395)	582,624	(582,624)			3,446,019	(3,446,019)
Total Revenue and Other Support	2,554,917	0	3,385,243	(2,762,716)	732,259	39,376	(646,538)	0	6,025,881	(2,723,340)
Expenses										
Program Services:										
Conservation			2,918,394				(646,538)		2,271,856	0
Grant	1,419,675								1,419,675	0
Conferences & workshops	248,295								248,295	0
Total Program Services	1,667,970	0	2,918,394	0	0	0	(646,538)	0	3,939,826	0
Support services										
Management and general	803,480		466,849		17,983				1,288,312	0
Fundraising					406,782				406,782	0
Total Expenses	2,471,450	0	3,385,243	0	424,765	0	(646,538)	0	5,634,920	0
Change in Net Assets	83,467	0	0	(2,762,716)	307,494	39,376	0	0	390,961	(2,723,340)
Net Asset										
Beginning of Year	857,597			50,929,373	63,806				921,403	50,929,373
End of Year	\$ 941,064	\$ 0	\$ 0	\$ 48,166,657	\$ 371,300	\$ 39,376	\$ 0	\$ 0	\$ 1,312,364	\$ 48,206,033