

Consolidated Financial Statements,
Report of Independent Certified Public
Accountants and Reports on
Compliance in Accordance with the
Uniform Guidance

**National Fish and Wildlife Foundation and
Subsidiary**

September 30, 2020 and 2019

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
National Fish and Wildlife Foundation and Subsidiary

Report on the financial statements

We have audited the accompanying consolidated financial statements of the National Fish and Wildlife Foundation and subsidiary (the "Foundation"), which comprise the consolidated statements of financial position as of September 30, 2020 and 2019, and the related consolidated statements of activities and change in net assets 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 Foundation'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 Foundation'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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the National Fish and Wildlife Foundation and subsidiary as of September 30, 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 matters*Supplementary information*

Our audits were 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* 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 supplementary 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 audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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 supplementary 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 March 2, 2021, on our consideration of the Foundation'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 solely 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 Foundation'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 the Foundation's internal control over financial reporting and compliance.



Arlington, Virginia
March 2, 2021

National Fish and Wildlife Foundation

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30,

	2020	2019
ASSETS		
Cash	\$ 15,766,352	\$ 14,085,028
Investments	391,076,205	374,759,548
Receivables:		
U.S. government agencies	7,887,066	6,566,855
Pledges, net	17,261,562	34,584,496
Other	2,327,248	1,559,990
Interest receivable	1,312,468	1,994,275
Mitigation and settlement funds	2,410,731,263	2,408,645,154
Donated land	1,340,100	1,340,100
Property and equipment, net	3,279,635	2,899,788
Prepaid expenses and other assets	2,955,620	2,157,295
	\$ 2,853,937,519	\$ 2,848,592,529
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 5,513,810	\$ 4,240,129
Project liabilities	25,886,722	15,270,266
Deferred rent	1,906,697	2,104,567
Deferred revenue	184,777,065	180,339,506
Mitigation and settlement funds	2,392,026,821	2,403,981,673
Total liabilities	2,610,111,115	2,605,936,141
NET ASSETS		
Without donor restrictions		
Undesignated	41,218,309	35,636,174
Designated	89,089,340	84,351,266
Total without donor restrictions	130,307,649	119,987,440
With donor restrictions	113,518,755	122,668,948
Total net assets	243,826,404	242,656,388
Total liabilities and net assets	\$ 2,853,937,519	\$ 2,848,592,529

The accompanying notes are an integral part of these consolidated financial statements.

National Fish and Wildlife Foundation

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

Year ended September 30, 2020

	<u>Without Donor Restrictions</u>			<u>With Donor Restrictions</u>	<u>Total</u>
	<u>Undesignated</u>	<u>Designated</u>	<u>Total</u>		
Revenues and support					
U.S. government appropriations, grants and agreements	\$ 105,364,466	\$ -	\$ 105,364,466	\$ -	\$ 105,364,466
Management fees	16,883,428	-	16,883,428	-	16,883,428
Mitigation and settlement	186,046,419	-	186,046,419	-	186,046,419
Other grant revenues	11,287,689	-	11,287,689	-	11,287,689
Public support – contributions	4,418,273	-	4,418,273	16,820,168	21,238,441
Investment income, net	6,682,436	7,900,974	14,583,410	522,756	15,106,166
Net assets released from restrictions	26,493,117	-	26,493,117	(26,493,117)	-
	<u>357,175,828</u>	<u>7,900,974</u>	<u>365,076,802</u>	<u>(9,150,193)</u>	<u>355,926,609</u>
Total revenues and support					
Expenses					
Program costs	341,907,297	3,162,900	345,070,197	-	345,070,197
Fundraising	3,156,090	-	3,156,090	-	3,156,090
Management and general	6,530,306	-	6,530,306	-	6,530,306
	<u>351,593,693</u>	<u>3,162,900</u>	<u>354,756,593</u>	<u>-</u>	<u>354,756,593</u>
Total expenses					
CHANGE IN NET ASSETS	5,582,135	4,738,074	10,320,209	(9,150,193)	1,170,016
Net assets, beginning of year	<u>35,636,174</u>	<u>84,351,266</u>	<u>119,987,440</u>	<u>122,668,948</u>	<u>242,656,388</u>
Net assets, end of year	<u>\$ 41,218,309</u>	<u>\$ 89,089,340</u>	<u>\$ 130,307,649</u>	<u>\$ 113,518,755</u>	<u>\$ 243,826,404</u>

The accompanying notes are an integral part of this consolidated financial statement.

National Fish and Wildlife Foundation

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

Year ended September 30, 2019

	Without Donor Restrictions			With Donor Restrictions	Total
	Undesignated	Designated	Total		
Revenues and support					
U.S. government appropriations, grants and agreements	\$ 92,786,644	\$ -	\$ 92,786,644	\$ -	\$ 92,786,644
Management fees	16,052,383	-	16,052,383	-	16,052,383
Mitigation and settlement	131,788,582	-	131,788,582	-	131,788,582
Other grant revenues	7,807,714	-	7,807,714	-	7,807,714
Public support – contributions	6,243,528	-	6,243,528	27,219,148	33,462,676
Investment income, net	9,880,184	6,403,267	16,283,451	636,841	16,920,292
Net assets released from restrictions	24,863,671	-	24,863,671	(24,863,671)	-
	289,422,706	6,403,267	295,825,973	2,992,318	298,818,291
Expenses					
Program costs	268,304,880	4,844,506	273,149,386	-	273,149,386
Fundraising	4,232,722	-	4,232,722	-	4,232,722
Management and general	7,032,509	-	7,032,509	-	7,032,509
	279,570,111	4,844,506	284,414,617	-	284,414,617
CHANGE IN NET ASSETS	9,852,595	1,558,761	11,411,356	2,992,318	14,403,674
Net assets, beginning of year	25,783,579	82,792,505	108,576,084	119,676,630	228,252,714
Net assets, end of year	\$ 35,636,174	\$ 84,351,266	\$ 119,987,440	\$ 122,668,948	\$ 242,656,388

The accompanying notes are an integral part of this consolidated financial statement.

National Fish and Wildlife Foundation

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended September 30,

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 1,170,016	\$ 14,403,674
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	764,867	741,353
Net unrealized and realized investment gain	(8,733,651)	(9,073,193)
Changes in:		
Receivables	15,235,465	6,332,187
Interest receivable	681,807	103,425
Prepaid expenses and other assets	(798,325)	(499,303)
Accounts payable and accrued liabilities	1,273,681	419,933
Deferred rent	(197,870)	(142,466)
Project liabilities	10,616,456	3,231,187
Deferred revenue	4,437,559	1,397,404
Net mitigation and settlement funds	(14,040,961)	(3,405,278)
Net cash provided by operating activities	10,409,044	13,508,923
Cash flows from investing activities:		
Purchase of property and equipment	(1,144,714)	(330,830)
Purchases of investments	(160,818,562)	(62,958,466)
Sale of investments	153,235,556	47,006,973
Net cash used in investing activities	(8,727,720)	(16,282,323)
NET INCREASE/(DECREASE) IN CASH	1,681,324	(2,773,400)
Cash, beginning of year	14,085,028	16,858,428
Cash, end of year	\$ 15,766,352	\$ 14,085,028

The accompanying notes are an integral part of these consolidated financial statements.

National Fish and Wildlife Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2020 and 2019

NOTE A - ORGANIZATION

On March 26, 1984, by an act of law (the "Act"), the United States ("U.S.") Congress established the National Fish and Wildlife Foundation ("NFWF") as a charitable and nonprofit corporation. NFWF is not an agency or establishment of the U.S. government. The purpose of NFWF is to encourage, accept, and administer private gifts of property for the benefit of, or in connection with, the activities and services of the Department of Interior/U.S. Fish and Wildlife Service ("DOIFWS") and, subsequently, the National Oceanic and Atmospheric Administration ("NOAA"), and to undertake and conduct such other activities to further the conservation and management of fish, wildlife, and plant resources for present and future generations.

Besides receiving funding through DOIFWS annual appropriations, NFWF also receives funding in the form of other appropriated funds and/or cooperative agreements with many of the other principal U.S. government agencies. In addition to funds received from the U.S. government, NFWF receives donations from individuals, corporations, and foundations for the general benefit of NFWF and in support of specific initiatives and/or projects managed by NFWF.

NFWF disburses funds to federal, state, and local agencies, persons, other foundations and organizations in connection with conservation projects necessary to carry out the intended purposes of NFWF.

Walker Basin Conservancy ("WBC") was incorporated by NFWF in September 2014 as part of the objectives of its Walker Basin Restoration Program ("WBRP") funded by a federal cooperative agreement between NFWF and the U.S. Bureau of Reclamation. WBC fulfills a requirement of the original legislation, Public Law 111-85, to establish a local nonprofit to act as a steward of the land and water resources associated with the WBRP. The purpose of WBC is to promote the restoration and maintenance of Walker Lake, a natural desert terminal lake in the State of Nevada, in a manner consistent with protection of agricultural, environmental, and habitat interests in the Walker River Basin, the ecological health of the Walker River, and the riparian and watershed resources of the West, East, and Main Walker Rivers.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting.

Recently Adopted Accounting Standards

Effective October 1, 2019, the Foundation adopted Accounting Standards Update ("ASU") No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which requires organizations to determine whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. If the agreement includes both a barrier and a right of return or release, the recipient shall consider it a conditional contribution until it has overcome the barriers in the agreement. The adoption of ASU 2018-08 did not have a material impact on the Foundation's financial statements.

National Fish and Wildlife Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of National Fish and Wildlife Foundation and Walker Basin Conservancy (together the "Foundation"). Consolidated financial statements are presented because of the existence of common control and economic interest for the years ended September 30, 2020 and 2019. All intercompany transactions have been eliminated upon consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

The Foundation records investments that qualify as securities as defined in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 320, *Investments – Debt and Equity Securities*, at fair value.

Investment income and losses, including unrealized gains and losses, are recognized currently in the accompanying consolidated statements of activities, except for those investments held in mitigation and settlement funds or whereby the investment income accrues to the contractual obligation. Gains and losses on investments, realized and unrealized, are recorded as of the settlement date. Investment income is without donor restriction, unless the donor of the original contribution restricts the earnings. Investment return is presented net of external and direct internal investment expenses.

Fair Value Measurements

FASB ASC 820, *Fair Value Measurement*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that 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). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The fair value of alternative investments is determined using the net asset value ("NAV") per share as a practical expedient and have not been categorized within the fair value hierarchy.

Income Taxes

NFWF and WBC are both exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except for unrelated business income. NFWF and WBC have processes presently in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, to determine its filing and tax obligations in jurisdictions for which it has nexus, and to identify and evaluate other matters that may be considered tax positions.

Under ASC 740, *Income Taxes*, Paragraph 10, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more like than not that the position will be sustained. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. NFWF and WBC have determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements. For the tax years ended September 30, 2020 and 2019, NFWF and WBC did not recognize any interest or penalties.

National Fish and Wildlife Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

Revenue Recognition

Federal appropriations and grants are deemed to be contributions and are reported as revenues in net assets without donor restrictions, when the Foundation has incurred expenses in compliance with the appropriation or grant requirements. Such amounts received but not yet earned (advances and reimbursements in excess of costs incurred) are reported as deferred revenue. Costs incurred in excess of amounts received are reported as receivables from U.S. government agencies.

Contributions received, including unconditional promises to give (pledges), are recorded as either revenues with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the consolidated statements of activities as net assets released from restrictions.

Conditional promises to give are not recognized until all conditions are substantially met. As of September 30, 2020, the Foundation had approximately \$596,581,271 in unrecognized conditional contributions, of which \$579,074,627 was related to federal appropriations or grants. The revenue related to these agreements is conditioned on requirements such as the Foundation incurring allowable expenditures under the terms of the agreements or the agreement of continued funding.

Receivables

The Foundation's receivables consist primarily of receivables from U.S. government agencies, pledges and interest receivable. The specific identification method is used to determine whether an allowance for doubtful accounts should be established. For the years ended September 30, 2020 and 2019, it was determined that no allowance for doubtful accounts was necessary. In addition, management calculates a discount for multi-year pledges received.

Mitigation and Settlement Funds

The Foundation manages certain mitigation and settlement funds in connection with the Foundation's charter to undertake and conduct activities that will further the conservation and management of fish, wildlife and plant resources. Management fees are earned by the Foundation in connection with these activities, which include monitoring project progress, processing payments to organizations, performing services on projects, assisting with evaluating project proposals, and in several instances, implementing the entire scope of activities from the request for project proposals to funds disbursement and eventual project close-out. Management fees are recognized when the related services are performed. The Foundation acts as custodian of funds received and each fund is held and managed as a distinct investment by the Foundation's investment management service providers. The funds maintained by the Foundation at year-end are reflected as an asset and liability in the accompanying consolidated statements of financial position. Amounts disbursed to projects are reflected as both revenues and expenditures in the consolidated statements of activities which results in a change in net assets of zero. Investment income from mitigation and settlement funds for specific organizations is recorded as an asset and corresponding liability when earned. Mitigation and settlement funds include money market funds, treasury and government agency funds, debt and equity securities, and partnership interests and hedge funds which are recorded at their fair values.

As of September 30, 2020 and 2019, the Foundation had a liability of \$2,392,026,821 and \$2,403,981,673 of funds under management, respectively. During the years ended September 30, 2020 and 2019, the Foundation expended \$186,046,419 and \$131,788,582, respectively, of mitigation and settlement funds on various conservation projects.

National Fish and Wildlife Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset as follows:

Furniture and equipment	5 years
Management information system	3 years

Leasehold improvements are amortized over the shorter of the estimated useful life of the improvement or the related lease term.

The Foundation capitalizes property and equipment with an original cost of \$5,000 or more. Bulk purchases of similar items from the same vendor with an aggregate value of \$5,000 or more are also capitalized.

Net Assets

The Foundation classifies net assets into two categories: without donor restrictions and with donor restrictions. Net assets without donor restrictions represent contributions not subject to any donor imposed restrictions. Board of Directors ("Board") designated net assets without donor restrictions represent Board-approved funds for specific purposes. Net assets with donor restrictions represent contributions with donor-imposed time or purpose restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions when the time restrictions expire or the funds are used for their restricted purposes and are reported in the consolidated statements of activities as net assets released from restrictions. Contributions with donor restrictions whose restrictions are fulfilled in the same fiscal year that the contributions are received are reported as contributions with donor restrictions and as net assets released from restrictions. Investment income from with donor restriction assets is recorded as income without donor restrictions unless restricted by the donor.

Expense Allocation

The costs of providing various programs have been summarized on a functional basis and allocated among programs and supporting services benefited. Personnel and occupancy expenses are allocated based on time incurred and space occupied, respectively, by Foundation personnel. Program costs include expenditures directly attributable to various conservation programs. Unpaid program costs as of the end of the reporting period are accrued and reported as Project liabilities within the consolidated statements of financial position.

	2020			
	Program Costs	Fundraising	Management and General	Total
Subawards/Mission	\$ 319,511,045	\$ -	\$ -	\$ 319,511,045
Personnel	16,110,517	2,316,996	4,461,508	22,889,021
Occupancy and Office	2,368,365	267,832	820,269	3,456,466
Professional Services	5,759,455	264,939	506,172	6,530,566
Information Technology	679,912	73,530	247,418	1,000,860
Travel and Meetings	334,649	133,989	263,459	732,097
Other	306,254	98,804	231,480	636,538
Total expenses	\$ 345,070,197	\$ 3,156,090	\$ 6,530,306	\$ 354,756,593

National Fish and Wildlife Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

	2019			
	Program Costs	Fundraising	Management and General	Total
Subawards/Mission	\$ 246,693,158	\$ -	\$ -	\$ 246,693,158
Personnel	16,145,578	2,470,324	4,869,719	23,485,621
Occupancy and Office	2,692,669	222,992	798,556	3,714,217
Professional Services	5,853,822	228,946	416,785	6,499,553
Information Technology	462,358	45,519	168,534	676,411
Travel and Meetings	828,368	1,112,689	536,417	2,477,474
Other	473,433	152,252	242,498	868,183
	\$ 273,149,386	\$ 4,232,722	\$ 7,032,509	\$ 284,414,617
Total expenses	\$ 273,149,386	\$ 4,232,722	\$ 7,032,509	\$ 284,414,617

Concentration of Credit Risk

Cash is maintained at various institutions and at times total deposits maintained exceed the amount insured by federal agencies and, therefore, bear some risk. The Foundation has not experienced any losses as a result of exceeding such amounts. As of September 30, 2020, the Foundation had \$14,777,766 in funds held in excess of the Federal Deposit Insurance Corporation limit.

Accounting Standards to be Adopted in Future Years

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FASB issued ASU 2020-05 that deferred the effective date until annual periods beginning after December 15, 2019. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes the guidance in former ASC Topic 840, *Leases*. The most significant change will result in the recognition of lease assets for the right to use the underlying asset, and lease liabilities for the obligation to make lease payments by lessees, for those leases classified as operating leases under current guidance. The new guidance will also require significant additional disclosures about the amount, timing and uncertainty of cash flows from leases. FASB issued ASU 2020-05 that deferred the effective date until annual periods beginning after December 31, 2021, with early adoption permitted. Upon adoption of ASU 2016-02, entities are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

Subsequent Events

The Foundation evaluated its consolidated financial statements for subsequent events through March 2, 2021, the date the consolidated financial statements were available to be issued. The Foundation is not aware of any subsequent events which would require additional recognition or disclosure in the consolidated financial statements as of September 30, 2020.

National Fish and Wildlife Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

NOTE C - FINANCIAL ASSETS AND LIQUIDITY RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the consolidated statements of financial position dated September 30, comprise of the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 12,053,601	\$ 6,416,292
Grants, contributions and other receivables	2,214,817	3,969,850
Prepaid expenses and other assets	998,308	777,201
Short-term Investments	<u>79,710,760</u>	<u>71,311,107</u>
	<u>\$ 94,977,486</u>	<u>\$ 82,474,450</u>

The short-term investments above include board-designated funds of \$62,793,202 and \$54,520,757 for the years ended September 30, 2020 and 2019, respectively. Although the Foundation does not intend to spend board-designated funds, it could be made available if necessary. As described in Note J, the Foundation has a \$10 million revolving line-of-credit with a financial institution that is available if needed. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE D - INVESTMENTS

Investments at September 30, 2020 and 2019, excluding mitigation and settlement funds, consist of the following:

	<u>2020</u>	<u>2019</u>
Money market funds	\$ 19,613,922	\$ 8,992,641
Corporate debt securities	106,560,058	191,174,499
Treasury and government agency funds	170,078,934	123,285,238
Fixed income	18,028,315	12,968,821
Equity funds	27,175,198	15,155,566
Partnership interests and hedge funds	<u>49,619,778</u>	<u>23,182,783</u>
	<u>\$ 391,076,205</u>	<u>\$ 374,759,548</u>

National Fish and Wildlife Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

The Foundation's total net investment income for the years ended September 30, 2020 and 2019, consists of the following:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 7,051,209	\$ 8,520,894
Net realized gains (losses) on sales of securities	178,427	(1,429,244)
Net unrealized gains on securities held	<u>8,426,170</u>	<u>10,267,485</u>
Investment income	15,655,806	17,359,135
Less: investment management fees	<u>(549,640)</u>	<u>(438,843)</u>
	<u>\$ 15,106,166</u>	<u>\$ 16,920,292</u>

In addition to total net investment income recognized for the years ended September 30, 2020 and 2019, \$201,514 and \$244,538 of additional investment income was earned on certain federal cooperative grant advances and other exchange contracts for the years ended September 30, 2020 and 2019, respectively, and recorded as deferred revenue in the accompanying consolidated statements of financial position. This additional investment income is available for specific program expenditures.

NOTE E - MITIGATION AND SETTLEMENT FUNDS

The market value of mitigation and settlement funds managed for specific organizations at September 30, 2020 and 2019 consists of the following:

	<u>2020</u>	<u>2019</u>
Money market funds	\$ 39,976,911	\$ 60,050,977
Corporate debt securities	1,041,796,837	877,875,797
Treasury and government agency funds	1,145,984,776	1,332,896,561
Fixed income	42,571,618	23,195,738
Equity funds	83,543,119	65,967,513
Partnership interests and hedge funds	<u>47,125,821</u>	<u>37,130,363</u>
Subtotal funds held in investments	2,400,999,082	2,397,116,949
Accrued interest	<u>9,732,181</u>	<u>11,528,205</u>
Mitigation and settlement funds	<u>\$ 2,410,731,263</u>	<u>\$ 2,408,645,154</u>

Net investment income of \$146,353,652 and \$181,987,200 was earned on mitigation and settlement funds in 2020 and 2019, respectively.

National Fish and Wildlife Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

NOTE F - FAIR VALUE MEASUREMENTS

The following is a description of the valuation methodologies and inputs used for investments measured at fair value, as well as the general classification pursuant to the valuation hierarchy.

- *Money market funds:* Valued at the closing price reported on the active market on which the individual (or similar) securities are traded.
- *Corporate debt securities, treasury and government agency funds, fixed income, and equity funds:* When quoted prices are available in an active market, corporate debt securities, treasury and government agency funds, and equity funds are classified within Level 1 of the fair value hierarchy. Quoted prices in inactive markets are classified within Level 2. If quoted market prices are not available or accessible, then fair values are estimated using pricing models, matrix pricing, or discounted cash flow models. The fair values of these instruments estimated using pricing models or matrix pricing based on observable prices of corporate debt securities that trade in inactive markets are generally classified within Level 2 of the fair value hierarchy. Securities are classified within Level 3 when there is limited activity or less transparency around inputs to the valuation.
- *Partnership interests and hedge funds:* When quoted market prices are not available or accessible and cannot be estimated using pricing models, matrix pricing, or discounted cash flows, the investments are valued at the NAV of shares or its equivalent as reported by the investments managers, held by the Foundation at year end.

The following table summarizes the valuation of financial instruments at fair value on a recurring basis in the consolidated statement of financial position at September 30, 2020, including the additional requirement to classify securities by major asset type category:

	Level 1	Level 2	Level 3	Reported at NAV	Total
Money market funds	\$ 19,613,922	\$ -	\$ -	\$ -	\$ 19,613,922
Corporate debt securities	-	106,560,058	-	-	106,560,058
Treasury and government agency funds	8,807,421	161,271,513	-	-	170,078,934
Fixed income	18,028,315	-	-	-	18,028,315
Equity funds	27,175,198	-	-	-	27,175,198
Partnership interests and hedge funds	5,341,122	-	-	44,278,656	49,619,778
Investments	78,965,978	267,831,571	-	44,278,656	391,076,205
Mitigation and settlement funds:					
Money market funds	39,976,911	-	-	-	39,976,911
Corporate debt securities	-	1,041,796,837	-	-	1,041,796,837
Treasury and government agency funds	1,416,569	1,144,568,207	-	-	1,145,984,776
Fixed income	10,931,718	-	-	31,639,900	42,571,618
Equity funds	1,773,591	-	-	81,769,528	83,543,119
Partnership interests and hedge funds	-	-	-	47,125,821	47,125,821
Mitigation and settlement funds	54,098,789	2,186,365,044	-	160,535,249	2,400,999,082
Total financial instruments	\$ 133,064,767	\$ 2,454,196,615	\$ -	\$ 204,813,905	\$ 2,792,075,287

National Fish and Wildlife Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

The following table summarizes the valuation of financial instruments at fair value on a recurring basis in the consolidated statement of financial position at September 30, 2019, including the additional requirement to classify securities by major asset type category:

	Level 1	Level 2	Level 3	Reported at NAV	Total
Money market funds	\$ 8,992,641	\$ -	\$ -	\$ -	\$ 8,992,461
Corporate debt securities	18,483,211	172,691,288	-	-	191,174,499
Treasury and government agency funds	3,889,356	119,395,882	-	-	123,285,238
Fixed income				12,968,821	12,968,821
Equity funds				15,155,566	15,155,566
Partnership interests and hedge funds	-	-	-	23,182,783	23,182,783
Investments	31,365,208	292,087,170	-	51,307,170	374,759,548
Mitigation and settlement funds:					
Money market funds	60,050,977	-	-	-	60,050,977
Corporate debt securities	17,203,710	860,672,087	-	-	877,875,797
Treasury and government agency funds	4,061,101	1,328,835,460	-	-	1,332,896,561
Fixed income				23,195,738	23,195,738
Equity funds	1,459,976	-	-	64,507,537	65,967,513
Partnership interests and hedge funds	-	-	-	37,130,363	37,130,363
Mitigation and settlement funds	82,775,764	2,189,507,547	-	124,833,638	2,397,116,949
Total financial instruments	\$ 114,140,972	\$ 2,481,594,717	\$ -	\$ 176,140,808	\$ 2,771,876,497

The table below presents additional information for the Foundation's investments, including mitigation and settlement funds, as of September 30, 2020, whose fair value is estimated using the practical expedient of reported NAV.

	Fair Value	Unfunded Commitments	Expected Liquidation Term	Redemption Terms	Restrictions at 9/30/2020
Fixed income, equity funds, and partnership interests and hedge funds ^(a)	\$ 204,813,905	\$ 15,769,588	N/A	Various, ranging from monthly to annually	Various, ranging from one to three years

^(a) This class includes several hedge funds and funds of funds that invest primarily in international and domestic equity securities to achieve capital appreciation. The fair values of the investments have been estimated by using the NAV per share of the funds.

National Fish and Wildlife Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

The table below presents additional information for the Foundation's investments, as of September 30, 2019, whose fair value is estimated using the practical expedient of reported NAV.

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Expected Liquidation Term</u>	<u>Redemption Terms</u>	<u>Restrictions at 9/30/2019</u>
Fixed income, equity funds, and partnership interests and hedge funds ^(a)	\$ 176,140,808	\$ 8,230,838	N/A	Various, ranging from monthly to annually	Various, ranging from one to three years

^(a) This class includes several hedge funds and funds of funds that invest primarily in international and domestic equity securities to achieve capital appreciation. The fair values of the investments have been estimated by using the NAV per share of the funds.

NOTE G - DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions as of September 30, 2020 and 2019, which have been designated by the Board for specific purposes, are summarized as follows:

	<u>2020</u>	<u>2019</u>
Halliburton funds	\$ 29,569,506	\$ 32,732,406
Funds for the future	<u>59,519,834</u>	<u>51,618,860</u>
Total designated net assets	<u>\$ 89,089,340</u>	<u>\$ 84,351,266</u>

Halliburton funds have been designated by the Board to support the implementation of the Gulf Environmental Benefit Fund ("GEBF") program through support of conservation projects and activities in the states of Alabama, Florida, Louisiana, Mississippi and Texas. Funds for the future have been designated by the Board to fund on-going strategic conservation objectives and priorities of the Foundation as well as to maintain a quasi-endowment for the purpose of securing the long-term financial viability of the Foundation.

National Fish and Wildlife Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

At September 30, 2020 and 2019, the Foundation had net assets with donor restrictions for conservation initiatives to be expended for the following programs:

	2020	2019
Acres for America	\$ 14,190,996	\$ 12,805,155
Pelagic Bird Fund	12,970,238	11,743,504
Lower Mississippi Alluvial Valley Fund	9,761,111	9,361,295
Longleaf Stewardship Fund	9,222,280	12,064,696
Delaware River Basin Program	7,435,164	9,802,331
Environmental Solutions for Communities	7,098,669	9,931,933
Chesapeake Bay Small Watershed Grants	6,143,613	5,586,244
Sustain our Great Lakes Program	5,118,324	2,092,833
Northern Great Plains	3,975,852	4,932,327
National Coastal Resilience Fund	3,869,616	2,077,500
SPIRIT of Conservation	2,993,369	2,684,286
Southwestern Rivers	2,494,538	3,104,937
Chicago River Fund/CHI-CAL	2,342,542	2,655,457
Hawaii Conservation Program	2,337,466	2,519,051
Southeast Michigan Resilience Fund	2,162,511	2,270,000
Five Star and Nature Restoration Trust	2,022,457	3,170,344
Monarch Butterfly and Pollinators Conservation Fund	1,931,469	1,898,206
Conservation Partners	1,348,000	1,422,883
Killer Whale Research and Conservation	1,306,422	1,402,661
New England Forests and Rivers Fund	1,294,883	3,590,697
Bird Keystone	1,251,491	1,924,385
Fishing for Energy Fund	1,214,020	1,344,697
Rocky Mountain Rangelands	1,125,000	-
Gulf Coast Conservation Grants Program	1,038,056	1,811,263
Other Conservation Initiatives	8,870,668	12,472,263
Total	\$ 113,518,755	\$ 122,668,948

NOTE I - COMMITMENTS AND CONTINGENCIES

Operating Leases

The Foundation leases office space under various non-cancelable operating leases that expire through 2026. In December 2007, the Foundation entered into a lease for an office space at 1133 15th Street, Washington, D.C. The lease commenced in October 2008 and continues through 2026. In September 2015, the Foundation entered into an agreement to amend this lease to increase the total space of rentable area on the property which is the subject of the lease. Monthly rental payment is at \$96,872 with an annual escalation of two and a half percent. This lease agreement includes a tenant improvement allowance of \$668,400. The tenant improvement allowance balance was \$414,656 and \$488,922 as of September 30, 2020 and 2019, respectively. The allowance utilized is included within deferred rent and is being amortized on a straight-line basis over the lease term as a reduction of rent expenses.

National Fish and Wildlife Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

Future minimum lease payments consist of the following:

<u>Year ending September 30,</u>	
2021	\$ 2,115,852
2022	1,898,365
2023	1,913,230
2024	1,868,294
2025	1,884,064
Thereafter	<u>1,120,691</u>
Total	<u>\$ 10,800,486</u>

Rent expense is amortized using the straight-line method and was \$2,154,070 and \$2,101,189 for the years ended September 30, 2020 and 2019, respectively.

Litigation and Claims

The Foundation may be subject to various claims and assessments during the normal course of its operations. Management does not believe that any known claim or assessment would have a material impact on the Foundation's consolidated financial statements.

Costs Subject to Audit

The Foundation's costs under its government grants and cooperative agreements are subject to audit by the awarding agencies. Management of the Foundation does not believe that the results of such audits would have a material impact on the accompanying consolidated statements of financial position and the accompanying consolidated statements of activities and changes in net assets of the Foundation.

NOTE J - LINE-OF-CREDIT

In 2016, the Foundation opened a line-of-credit agreement with a financial institution for a revolving line-of-credit in the amount of \$10,000,000. As of September 30, 2020 and 2019, interest is payable monthly at the London Interbank Offered Rate ("LIBOR") plus 1.35% per annum and the LIBOR plus 0.50% per annum, respectively (2.35% and 2.52% as of September 30, 2020 and 2019, respectively). The line-of-credit had an original maturity date of April 30, 2017 and is secured by the Foundation's investment securities. The agreement was renewed to extend the maturity date to May 31, 2021. The loan agreement also contains specific financial and operating covenants. The Foundation has not drawn upon the line-of-credit during the two fiscal years ended September 30, 2020 and 2019. As such, there were no amounts outstanding as of September 30, 2020 and 2019 nor was there interest expense for the years ended September 30, 2020 and 2019.

WBC has a \$250,000 unsecured revolving line of credit with a bank, dated September 6, 2019, maturing September 6, 2022. Borrowings under the line bear interest at the Wall Street Journal Prime Rate plus 2.75% (7.50% and 7.75% as of September 30, 2020 and 2019, respectively). Accrued interest and principal are due at maturity. The agreement requires compliance with certain non-financial covenants. There were no borrowings on this line of credit during the year ended September 30, 2020 or 2019.

National Fish and Wildlife Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

NOTE K - RETIREMENT PLANS

The Foundation's benefits package for its staff includes a 403(b), 457(f) and 457(b) tax-deferred annuity retirement plans. The total amount incurred by the Foundation for these benefits for the years ended September 30, 2020 and 2019, was \$1,699,576 and \$1,578,347, respectively.

NOTE L - PLEDGES RECEIVABLE, NET

All pledges are deemed fully collectible. The net present value of pledges receivable is expected to be received as follows at September 30:

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 10,495,755	\$ 20,387,552
One to five years	7,275,000	15,089,879
Less: Unamortized discount on receivables at rates from 0.89% to 2.89% to estimated net present value	<u>(509,193)</u>	<u>(892,935)</u>
Pledges receivable, net	<u>\$ 17,261,562</u>	<u>\$ 34,584,496</u>

NOTE M - PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following at September 30:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 379,294	\$ 362,071
Management information system	5,489,064	4,368,622
Leasehold improvements	<u>5,261,967</u>	<u>5,254,918</u>
	11,130,325	9,985,611
Less: accumulated depreciation and amortization	<u>(7,850,690)</u>	<u>(7,085,823)</u>
Total property and equipment, net	<u>\$ 3,279,635</u>	<u>\$ 2,899,788</u>

Depreciation and amortization expense was \$764,867 and \$741,353 for the years ended September 30, 2020 and 2019, respectively.

National Fish and Wildlife Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

NOTE N - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following at September 30:

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 3,161,680	\$ 2,498,336
Accrued personnel related costs	2,352,130	1,741,793
Total accounts payable and accrued liabilities	<u>\$ 5,513,810</u>	<u>\$ 4,240,129</u>

NOTE O - RELATED PARTY TRANSACTIONS

The Foundation received contributions from Board members and other related organizations during the years ended September 30, 2020 and 2019, totaling \$653,000 and \$2,053,000, respectively.

NOTE P - RISKS AND UNCERTAINTIES

The Foundation invests in certain investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities which occur in the near term could materially impact the amounts reported in Foundation's consolidated financial statements.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic, which continues to spread throughout the United States. The spread of COVID-19 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Foundation is unable to determine if it will have a material impact to its operations.

SUPPLEMENTAL INFORMATION

National Fish and Wildlife Foundation

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended September 30, 2020

Federal Grantor/Program Title	Assistance Listing No.	Award No./Pass-thru Identifying No.	Total Expenditures	Provided to Subrecipients
U.S. Department of Interior				
DOI Hurricane Sandy FY13	15.153	D13AC00001	\$ 13,873,166	\$ 13,808,060
Total U.S. Department of Interior - Hurricane Sandy Disaster Relief - Coastal Resiliency Grants			<u>13,873,166</u>	<u>13,808,060</u>
BLM Appropriations FY17 & FY18	15.231	L17AC00384	1,925,991	1,925,991
BLM Endangered Species FY16	15.231	L16AC00431	344,309	324,713
BLM Rocky Mountain Sage Grouse Conservation FY17	15.231	L17AC00348	<u>101,109</u>	<u>90,349</u>
Total U.S. Department of Interior - Fish, Wildlife and Plant Conservation Resource Management			<u>2,371,409</u>	<u>2,341,053</u>
BLM West Migrations FY19	15.247	L19AC00226	33,901	-
BLM National Sage Grouse Conservation Partnership FY19	15.247	L19AC00029	<u>43,864</u>	<u>19,042</u>
Total BLM-CO Strengthening Partnerships for Wildlife Partnerships and Habitat Management			<u>77,765</u>	<u>19,042</u>
BOR Walker Restoration	15.508	R10AP20007	<u>16,962,081</u>	<u>16,893,586</u>
Total U.S. Department of Interior - Providing Water to At-Risk Natural Desert Terminal Lakes			<u>16,962,081</u>	<u>16,893,586</u>
BOR Middle Rio Grande	15.517	R17AC00119	306,083	255,555
BOR Klamath Salmon FY15	15.517	R15AP00041	<u>614,853</u>	<u>591,444</u>
Total U.S. Department of Interior - Fish and Wildlife Coordination Act			<u>920,936</u>	<u>846,999</u>
BOR Youth Initiative FY15	15.546	R15AC00006	<u>11,563</u>	<u>10,348</u>
Total U.S. Department of Interior - Youth Conservation Program			<u>11,563</u>	<u>10,348</u>
FWS Approps Pre FY12	15.608	-	69,437	69,437
FWS Appropriations FY12	15.608	F12AB00023	68,317	68,317
FWS Endangered Species in Pacific Southwest	15.608	F14AC00733	3,233	3,233
FWS Feral Pig Eradication	15.608	F16AC00300	286,181	285,000
FWS Klamath Tribes Fisher	15.608	F16AC00656	359,852	354,577
FWS Klamath Basin FY17	15.608	F17AC00470	657,803	655,451
FWS Eastern Brook Trout Joint Venture FY18	15.608	F18AC00818	49,858	45,858
FWS Eastern Brook Trout Joint Venture FY19	15.608	F20AC00015	38,443	33,000
FWS Eastern Brook Trout Joint Venture FY20	15.608	F20AC10431	295	-
FWS Klamath Basin Sucker Science and Conservation FY19	15.608	F19AC00527	<u>14,206</u>	<u>12,662</u>
Total U.S. Department of Interior - Fish and Wildlife Management Assistance			<u>1,547,625</u>	<u>1,527,535</u>
CDFW Least Bells FY20	15.615	Q1950401	<u>46,852</u>	<u>40,000</u>
Total U.S. Department of Interior - Cooperative Endangered Species Conservation Fund			<u>46,852</u>	<u>40,000</u>
FWS Western Migration	15.631	F18AC00861	6,451	4,000
FWS Western Migration FY19	15.631	F19AC00796	9,543	
FWS Western Migration FY20	15.631	F20AC00279	<u>5,393</u>	
Total U.S. Department of Interior - Partners for Fish and Wildlife			<u>21,387</u>	<u>4,000</u>
FWS Laser Technology Seabird	15.650	F15AP001055	<u>6,246</u>	<u>6,092</u>
Total U.S. Department of Interior - Research Grants (Generic)			<u>6,246</u>	<u>6,092</u>

National Fish and Wildlife Foundation

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended September 30, 2020

Federal Grantor/Program Title	Assistance Listing No.	Award No./Pass-thru Identifying No.	Total Expenditures	Provided to Subrecipients
FWS NWR System Friends 16	15.654	F16AC00956	\$ 25,794	\$ 22,394
FWS Urban Refuge FY16	15.654	F16AC01147	67,565	47,148
FWS Urban Refuge 4	15.654	F17AC00967	135,251	127,266
FWS NWR Refuge Friends FY18	15.654	F18AC00963	81,397	81,379
FWS NWR Refuge Friends FY19	15.654	F19AC00311	49,120	31,393
FWS Urban Refuge FY19	15.654	F19AC00426	18,102	17,261
FWS NWR Refuge Friends FY20	15.654	F20AC11295	1,836	-
Total U.S. Department of Interior - Visitor Facility Enhancements - Refuges and Wildlife			<u>379,065</u>	<u>326,841</u>
FWS Bald & Golden Eagle	15.655	F14AC00710	6,193	6,193
FWS Urban Bird Treaty FY16	15.655	F16AC01013	2,698	2,160
FWS Urban Bird Treaty FY17	15.655	F17AC00966	60,062	51,687
FWS Urban Bird Treaty FY18	15.655	F18AC00872	43,028	42,999
FWS Urban Bird Treaty FY19	15.655	F19AC00125	24,505	22,877
Total U.S. Department of Interior - Migratory Bird Monitoring, Assessment and Conservation			<u>136,486</u>	<u>125,916</u>
FWS Recovery Challenge Grant Program FY20	15.657	F20AC10145	441	-
FWS Bats for the Future	15.657	F16AC01282	301,982	301,982
FWS FY18 Bats for Future	15.657	F19AC00040	181,636	150,915
FWS Bats for the Future FY19	15.657	F20AC00276	6,080	5,076
Total U.S. Department of Interior - Endangered Species Conservation: Recovery Implementation Funds			<u>490,139</u>	<u>457,973</u>
FWS Great Lakes FY14	15.662	F14AP00901	458,692	458,692
FWS Great Lakes FY15	15.662	F15AP00725	944,066	929,275
FWS Great Lakes FY16	15.662	F16AP01029	1,854,881	1,573,444
FWS Great Lakes FY17	15.662	F17AP00313	761,730	754,283
FWS Great Lakes FY18	15.662	F18AP00637	1,559,098	1,511,645
FWS Great Lakes FY19	15.662	F19AP00636	340,178	332,730
FWS Great Lakes FY20	15.662	F20AP11655	503	-
Total U.S. Department of Interior - Great Lakes Restoration			<u>5,919,148</u>	<u>5,560,069</u>
FWS Appropriations FY13	15.663	F13AP00622	26,864	26,864
FS Monarch Butterfly	15.663	16-CA-11132422-185	102,252	102,252
FWS Appropriations FY14	15.663	F14AP00333	114,199	114,199
FWS Klamath Basin 2015-20	15.663	F15AC00282	1,036,442	1,006,083
FWS Appropriations FY15	15.663	F15AP00569	230,493	230,493
FWS Appropriations FY16	15.663	F16AP00398	806,261	806,261
FWS Appropriations FY17	15.663	F17AP00569	1,860,765	1,860,765
FWS Appropriations FY18	15.663	F18AP00036	1,672,225	1,672,225
FWS Appropriations FY19	15.663	F19AP00154	62,737	62,737
Total U.S. Department of Interior - National Fish and Wildlife Foundation			<u>5,912,238</u>	<u>5,881,879</u>

National Fish and Wildlife Foundation

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended September 30, 2020

Federal Grantor/Program Title	Assistance Listing No.	Award No./Pass-thru Identifying No.	Total Expenditures	Provided to Subrecipients
FWS Conservation Partnership	15.664	F15AC01067	54,071	53,088
FWS Monarch Butterfly	15.664	F15AP00245	<u>582,068</u>	<u>582,068</u>
Total U.S. Department of Interior - Fish and Wildlife Coordination and Assistance			<u>636,139</u>	<u>635,156</u>
Pass-through awards:				
Arizona Game and Fish Commission -				
Arizona Wolf Livestock	15.666	—	2,997	1,418
New Mexico Department of Agriculture -				
NMSU/NMDA New Mexico Depredation Mexican Wolf FY19	15.666	GR0006294	78,088	75,951
NMSU/NMDA New Mexico Proactive/Prevention Mexican Wolf FY19	15.666	GR0006293	<u>58,251</u>	<u>57,000</u>
Total U.S. Department of Interior - Endangered Species Conservation- Wolf Livestock Loss Compensation and Prevention			<u>139,336</u>	<u>134,369</u>
FWS 18 Delaware Watershed CF	15.670	F18AC00707	2,177,619	2,054,601
FWS Monarch Monitor FY20	15.670	F20AP00234	<u>18,520</u>	<u>13,562</u>
Total U.S. Department of Interior - Adaptive Science			<u>2,196,139</u>	<u>2,068,163</u>
FWS NM Mexican Wolf 2020	15.680	F20AC10741	<u>37,177</u>	<u>36,950</u>
Total U.S. Department of Interior - Mexican Wolf Recovery			<u>37,177</u>	<u>36,950</u>
USGS Monarch	15.808	G16AC00229	<u>95,494</u>	<u>95,494</u>
Total U.S. Department of Interior - U.S. Geological Survey Research and Data Collection			<u>95,494</u>	<u>95,494</u>
Total U.S. Department of Interior			<u>51,780,391</u>	<u>50,819,525</u>
U.S. Department of Agriculture				
NRCS South Dakota Northern Great Plains and Prairie Pothole FY18	10.312	NR186740XXXXC004	<u>13,075</u>	<u>10,369</u>
Total U.S. Department of Agriculture - Biomass Research and Development Initiative Competitive Grants Program			<u>13,075</u>	<u>10,369</u>
FS Five Star and Urban Waters Restoration FY16-20	10.664	16-CA-11132544-021	573,869	511,254
FS State and Private Forestry Longleaf	10.664	17-CA-11083150-007	526,136	514,447
FS Five Star and Urban Waters Restoration FY18-23	10.664	18-CA-11132544-036	3,222	-
FS State and Private Longleaf FY2019	10.664	19-CA-11083150-002	30,375	-
USFS Urban Waters 2020	10.664	19-CA-11083150-002	<u>791</u>	<u>-</u>
Total U.S. Department of Agriculture - Cooperative Forestry Assistance			<u>1,134,393</u>	<u>1,025,701</u>
FS Chesapeake Bay 2018	10.678	18-DG-11420004-247	<u>24,424</u>	<u>21,962</u>
Total U.S. Department of Agriculture - Forest Stewardship Program			<u>24,424</u>	<u>21,962</u>
FS Appropriations FY15	10.683	15-CA-11132422-241	212,979	212,979
FS Appropriations FY16	10.683	16-CA-11132422-213	509,118	509,118
FS Appropriations FY17	10.683	17-CA-11132422-109	693,985	693,985
FS Appropriations FY18	10.683	18-CA-11132422-180	900,348	900,348
FS Appropriations FY19	10.683	19-CA-11132422-155	69,857	69,857
FS Longleaf Stewardship FY15	10.683	15-CA-11083150-001	47,158	44,202
FS Bats for the Future	10.683	17-CA-11132422-145	113,391	112,500
FS Southern Family	10.683	17-CA-11083150-001	198,681	191,016
FS Developing the Next Generation of Conservationists	10.683	17-CA-11132422-343	104,529	99,733
FS Western Migrations FY20	10.683	20-CA-11132422-164	<u>543</u>	<u>-</u>
Total U.S. Department of Agriculture - National Fish and Wildlife Foundation			<u>2,850,589</u>	<u>2,833,738</u>
NRCS Montana Northern Rockies and Sagebrush Landscapes	10.069	68-0325-17-008	31,770	30,316
NRCS South Dakota Northern Great Plains FY19	10.069	NR196740XXXXC005	7,325	6,987
NRCS Conservation Partners Program FY17 (CRP)	10.069	68-3A75-17-308	1,402,485	1,402,485
NRCS South Dakota Northern Great Plains and Prairie Pothole FY18	10.069	NR186740XXXXC004	6,799	5,392
NRCS Illinois FY19	10.069	NR205A12XXXXC001	<u>665</u>	<u>-</u>
Total U.S. Department of Agriculture - Conservation Reserve Program			<u>1,449,044</u>	<u>1,445,180</u>

National Fish and Wildlife Foundation

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended September 30, 2020

Federal Grantor/Program Title	Assistance Listing No.	Award No./Pass-thru Identifying No.	Total Expenditures	Provided to Subrecipients
NRCS Montana Northern Great Plains and Rangeland Habitat	10.902	65-0325-15-017	\$ 155,471	\$ 141,248
NRCS Idaho Conservation Partnership FY17	10.902	68-0211-17-019	2,151	-
NRCS Conservation Partners Program FY16	10.902	68-3A75-16-813	462,214	394,500
NRCS Central Appalachia	10.902	68-3A75-17-262	256,315	219,094
NRCS Conservation Partners Program FY17 (Coral)	10.902	68-3A75-17-308	954,680	926,185
NRCS South Carolina Forests and Streams	10.902	68-4639-17-167	255,361	247,704
NRCS Michigan Working Lands	10.902	68-5D21-17-122	393,737	384,018
NRCS Nebraska Sandhills FY17	10.902	68-6526-17-107	48,155	43,002
NRCS North Dakota Northern Great Plains Prairie Pothole	10.902	68-6633-17-012	192,870	190,829
NRCS Arkansas Forests	10.902	68-7103-17-101	97,258	91,859
NRCS Longleaf Pine Texas	10.902	68-7442-16-519	61,664	60,656
NRCS Texas Pecos Watershed	10.902	68-7442-17-036	179,896	175,050
NRCS Hawaii Working Lands	10.902	68-9251-16-509	3,194	-
NRCS Maine Forests and Rivers FY19	10.902	NR191218XXXXC005	7,003	-
NRCS Conservation Partners Program FY19	10.902	NR193A750007C005	640,613	550,071
NRCS Texas FY19	10.902	NR207442XXXXC025	8,255	-
NRCS Montana Northern Rockies and Sagebrush Landscapes FY17	10.902	68-0325-17-008	63,541	60,632
NRCS Conservation Partners Program FY18	10.902	NR183A750022C004	878,756	818,500
NRCS South Dakota Northern Great Plains FY19	10.902	NR196740XXXXC005	7,325	6,987
NRCS Gulf of Mexico Ecosystem Restoration FY18	10.902	68-3A75-18-220	16,082	-
NRCS South Dakota Northern Great Plains and Prairie Pothole FY16	10.902	68-6740-16-524	226,233	219,899
NRCS Louisiana Forests	10.902	NR177217XXXXC003	54,237	52,143
NRCS Texas CTA	10.902	NR183A750022C004	10,847	3,839
NRCS Alabama Forest Partnership	10.902	NR184101XXXXC003	40,990	36,274
NRCS Mississippi Forests Conservation Partnership	10.902	NR184423XXXXC053	16,681	12,500
NRCS Kentucky Conservation FY18	10.902	NR185C16XXXXC013	4,304	-
NRCS South Dakota Northern Great Plains and Prairie Pothole FY18	10.902	NR186740XXXXC004	10,460	8,295
NRCS Partnership to Conserve Montana Rangelands FY19	10.902	NR190325XXXXC002	2,599	-
NRCS New Hampshire FY19	10.902	NR191428XXXXC002	6,123	-
NRCS Tennessee Accelerating Forest	10.902	NR194741XXXXC015	3,476	-
NRCS Kansas FY19	10.902	NR196215XXXXC008	2,803	-
NRCS Idaho Cheatgrass Challenge FY20	10.902	NR200211XXXXC001	2,231	-
NRCS Illinois FY19	10.902	NR205A12XXXXC001	166	-
NRCS Utah Sagebrush Landscapes FY19	10.902	NR208D43XXXXC006	1,391	-
Total U.S. Department of Agriculture - Soil and Water Conservation			5,067,082	4,643,285
NRCS New Mexico Pecos and Rio Grande Watersheds	10.912	68-8C30-17-015	185,107	151,136
NRCS Wyoming Northern Great Plains Sagebrush	10.912	68-8E49-17-016	1,923	551
NRCS Conservation Partners Program FY16 Chesapeake	10.912	68-3A75-16-813	448,134	444,382
NRCS Central Appalachia	10.912	68-3A75-17-262	174,685	174,685
NRCS Conservation Partners Program FY17 (EQIP)	10.912	68-3A75-17-308	670,194	656,430
NRCS Louisiana Forests	10.912	NR177217XXXXC003	54,238	52,143
NRCS Gulf of Mexico 2017	10.912	68-3A75-17-429	694	-
NRCS Alabama Forest Partnership	10.912	NR184101XXXXC003	40,990	36,274
NRCS Mississippi Forests Conservation Partnership	10.912	NR184423XXXXC053	16,681	12,500
NRCS Kentucky Conservation 2018	10.912	NR185C16XXXXC013	4,304	-
NRCS Conservation Partners Program FY18	10.912	NR183A750022C004	737,388	685,770
NRCS New Hampshire FY19	10.912	NR191428XXXXC002	1,164	-
NRCS Tennessee Accelerating Forest and Freshwater Habitat Restoration on Private Lands FY19	10.912	NR194741XXXXC015	1,738	-
NRCS Kansas FY19	10.912	NR196215XXXXC008	2,803	-
NRCS Minnesota Driftless Area and Prairie Pothole Region FY19	10.912	NR196322XXXXC007	2,519	-
NRCS Louisiana Mississippi Alluvial Valley FY19	10.912	NR197217XXXXC023	1,168	-
NRCS South Carolina Longleaf Pine FY19	10.912	NR194639XXXXC008	6,480	-
NRCS Ohio Partnership FY19	10.912	NR195E34XXXXC006	6,127	-
NRCS CIG On-Farm Trials Danone Soil Health FY19	10.912	NR203A750013G022	8,362	-
NRCS Mississippi FY20	10.912	NR204423XXXXC087	52	-
Total U.S. Department of Agriculture - Environmental Quality Incentives Program			2,364,751	2,213,871
NRCS South Dakota Northern Great Plains and Prairie Pothole FY16	10.914	68-6740-16-524	226,233	219,899
Total U.S. Department of Agriculture - Wildlife Habitat Incentive Program			226,233	219,899
NRCS Gulf Mexico Restoration	10.072	68-3A75-14-279	112,644	62,720
NRCS Gulf Working FY16	10.072	68-3A75-16-1281	778,742	757,026
NRCS Minnesota FY19	10.072	NR196322XXXXC007	2,519	-
Total U.S. Department of Agriculture - Wetlands Reserve Program			893,905	819,746

National Fish and Wildlife Foundation

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended September 30, 2020

Federal Grantor/Program Title	Assistance Listing No.	Award No./Pass-thru Identifying No.	Total Expenditures	Provided to Subrecipients
NRCS South Dakota Northern Great Plains and Prairie Pothole FY16	10.924	68-6740-16-524	226,232	219,899
NRCS Louisiana Forests	10.924	NR177217XXXXC003	54,237	52,143
NRCS South Dakota Northern Great Plains and Prairie Pothole FY18	10.924	NR186740XXXXC004	21,967	17,419
NRCS Conservation Partners Program FY18	10.924	NR183A750022C004	737,388	685,770
NRCS Partnership to Conserve Montana Rangelands FY19	10.924	NR190325XXXXC002	1,950	-
NRCS Tennessee Accelerating Forest and Freshwater Habitat Restoration on Private Lands FY19	10.924	NR194741XXXXC015	1,738	-
NRCS Louisiana Mississippi Alluvial Valley FY19	10.924	NR197217XXXXC023	2,337	-
NRCS South Dakota Northern Great Plains FY19	10.924	NR196740XXXXC005	7,325	6,987
Total U.S. Department of Agriculture - Conservation Stewardship Program			1,053,174	982,218
NRCS Kansas FY19	10.925	NR196215XXXXC008	2,803	-
Total U.S. Department of Agriculture - Agricultural Water Enhancement Program			2,803	-
NRCS Gulf Working FY16	10.931	68-3A75-16-1281	778,742	757,026
NRCS Montana Northern Rockies and Sagebrush Landscapes FY17	10.931	68-0325-17-008	31,770	30,316
NRCS Gulf of Mexico 2017	10.931	68-3A75-17-429	694	-
NRCS Louisiana Forests	10.931	NR177217XXXXC003	54,238	52,143
NRCS Gulf of Mexico Ecosystem Restoration FY18	10.931	68-3A75-18-220	7,225	-
NRCS Partnership to Conserve Montana Rangelands FY19	10.931	NR190325XXXXC002	3,250	-
NRCS New Hampshire FY19	10.931	NR191428XXXXC002	1,959	-
NRCS Louisiana Mississippi Alluvial Valley FY19	10.931	NR197217XXXXC023	2,337	-
NRCS Utah Sagebrush Landscapes FY19	10.931	NR208D43XXXXC006	1,391	-
Total U.S. Department of Agriculture - Agricultural Conservation Easement Program			881,606	839,485
NRCS Regional Conservation Partnership Program Delaware	10.932	68-2D37-15-762	277,248	276,140
NRCS Regional Conservation Partnership Program Chesapeake	10.932	68-2D37-15-763	154,266	132,414
NRCS Improving Working Lands	10.932	68-7442-16-1260	139,430	127,076
Total U.S. Department of Agriculture -Regional Conservation Partnership Program			570,944	535,630
Total U.S. Department of Agriculture			16,532,023	15,591,084
Environmental Protection Agency				
EPA Long Island Sound Futures Fund FY15	66.437	LI-00A00008	243,666	243,569
EPA Long Island Sound Futures Fund FY16	66.437	LI-00A00129	64,830	46,897
EPA Long Island Sound Futures Fund FY17	66.437	LI-00A00382	499,931	385,908
EPA Long Island Sound Futures Fund FY18	66.437	LI-00A00389	1,436,241	1,341,994
EPA Long Island Sound Futures Fund FY19	66.437	LI - 00A00606	90,136	71,698
EPA Long Island Sound Futures Fund FY20	66.437	LI - 00A00694	139	-
Total EPA - Long Island Sound Program			2,334,943	2,090,066
EPA Five Star 5	66.462	WD-83658001	306,223	276,509
Total EPA - National Wetland Program Development Grants and Five-Star Restoration Training Grant			306,223	276,509
EPA Chesapeake Bay Innovative Nutrient and Sediment Reduction 2014	66.466	96331101	4,373,678	4,244,423
EPA Small Watershed Grants 2014	66.466	96331001	2,721,130	2,588,898
EPA Small Watershed Grants 2018	66.466	96358101	2,731,726	2,674,724
EPA Chesapeake Bay Innovative Nutrient and Sediment Reduction 2018	66.466	96358201	1,383,341	1,353,223
Total EPA - Chesapeake Bay Program			11,209,875	10,861,268
Total Environmental Protection Agency			13,851,041	13,227,843

National Fish and Wildlife Foundation

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended September 30, 2020

Federal Grantor/Program Title	Assistance Listing No.	Award No./Pass-thru Identifying No.	Total Expenditures	Provided to Subrecipients
U.S. Department of Commerce				
NOAA Enhancing Protected Resources Management Capacity	11.008	NA18NMF0080314	\$ 232,067	\$ 195,816
Total U.S. Department of Commerce - NOAA Mission-Related Education Awards			<u>232,067</u>	<u>195,816</u>
NOAA Appropriations FY16	11.454	NA16NMF4540289	187,108	187,108
NOAA Fisheries Innovation Fund 2016-2020	11.454	NA15NMF4540400	456,013	417,401
NOAA Irrigation Efficiencies	11.454	NA17NMF4540116	10,971	9,794
NOAA Appropriations FY15	11.454	NA15NMF4540082	20,320	20,320
Total U.S. Department of Commerce - Unallied Management Projects			<u>674,412</u>	<u>634,623</u>
NOAA Program Partnership FY10-13	11.463	NA10NOS4630131	(1,674)	(1,674)
NOAA Damage Assessment Remediation and Restoration Program 2016-2021	11.463	NA16NMF4630023	675,358	529,945
NOAA Damage Assessment Remediation and Restoration Program 2018	11.463	NA18NMF4630004	2,913,641	2,792,775
Total U.S. Department of Commerce - Habitat Conservation			<u>3,587,325</u>	<u>3,321,046</u>
NOAA Building Protected Resources Management Capacity	11.469	NA14NMF4690277	38,767	38,767
Total U.S. Department of Commerce - Congressionally Identified Awards and Projects			<u>38,767</u>	<u>38,767</u>
NOAA Appropriations FY17	11.472	NA17NMF4720331	381,688	381,688
NOAA Appropriations FY18	11.472	NA18NMF4720304	1,587,397	1,587,397
NOAA Appropriations FY19	11.472	NA19NMF4720290	394,982	394,982
Total U.S. Department of Commerce - Unallied Science Program			<u>2,364,067</u>	<u>2,364,067</u>
NOAA National Resilient Coastal Community Program 2018	11.473	NA18NOS4730204	6,864,243	6,708,209
NOAA Emergency Coastal Resilience Fund FY19	11.473	NA20NOS4730002	222,367	104,003
NOAA National Coastal Resilience Fund FY19	11.473	NA19NOS4730148	3,137,225	3,027,868
NOAA National Coastal Resilience Fund FY20	11.473	NA20NOS4730027	117,964	-
Total U.S. Department of Commerce - Coastal Services Center			<u>10,341,799</u>	<u>9,840,080</u>
NOAA Coral Reef Conservation FY15	11.482	NA14NOS4820143	446,298	446,298
NOAA Coral Reef Conservation	11.482	NA18NOS4820181	646,848	522,173
Total U.S. Department of Commerce - Coral Reef Conservation Program			<u>1,093,146</u>	<u>968,471</u>
NOAA Marine Debris FY20	11.999	NA20NOS9990001	21,606	-
Total U.S. Department of Commerce - Marine Debris Program			<u>21,606</u>	<u>-</u>
Total U.S. Department of Commerce			<u>18,353,189</u>	<u>17,362,870</u>
U.S. Department of Energy				
BPA Columbia Basin Water Transaction Program Umatilla FY19	81.000	80964	115,244	115,244
BPA Columbia Basin Water Transaction Program Colville FY19	81.000	80678	19,823	19,086
BPA Columbia Basin Water Transaction Program FY19	81.000	80638	952,279	916,888
BPA Columbia Basin Water Transaction Program FY20	81.000	83308	2,256,948	2,001,813
BPA Columbia Basin Water Transaction Program Colville FY20	81.000	83391	88,480	81,852
Total U.S. Department of Energy			<u>3,432,774</u>	<u>3,134,883</u>

National Fish and Wildlife Foundation

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended September 30, 2020

Federal Grantor/Program Title	Assistance Listing No.	Award No./Pass-thru Identifying No.	Total Expenditures	Provided to Subrecipients
U.S. Department of Defense				
US Navy Pacific Missile Range Facility Seabird	12.632	N40192-18-2-8006	\$ 102,204	\$ 86,854
US Navy Guam Habitat FY20	12.632	N40192-20-2-8002	4,118	-
DOD Longleaf 2016	12.632	HQ0034-16-2-0023	<u>736,329</u>	<u>692,674</u>
Total U.S. Department of Defense - Legacy Resource Management Program			<u>842,651</u>	<u>779,528</u>
USACE Lake Isabella	12.000	DACW059820001	<u>233,399</u>	<u>180,195</u>
Total U.S. Department of Defense			<u>233,399</u>	<u>180,195</u>
Total U.S. Department of Defense			<u>1,076,050</u>	<u>959,723</u>
Corporation for National and Community Service				
Pass-through awards:				
Nevada Volunteers -				
Walker Basin Conservancy AmeriCorps Program	94.006	16AFHNV0010012	<u>338,998</u>	-
Total Corporation for National and Community Service			<u>338,998</u>	-
Total Expenditures of Federal Awards			<u>\$ 105,364,466</u>	<u>\$ 101,095,928</u>

National Fish and Wildlife Foundation

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended September 30, 2020

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the National Fish and Wildlife Foundation, and is presented on the accrual basis of accounting. The information is presented in accordance with requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in the schedule of expenditures of federal awards may differ from amounts presented or used in the preparation of the basic consolidated financial statements.

NOTE B - ASSISTANCE LISTING

Assistance Listing numbers are assigned to various agreements presented on the Schedule of Expenditures of Federal Awards. When an Assistance Listing number is not assigned, federal awards from the same agency made for the same purpose are combined by primary focus or source, and are considered one program for purposes of determining major programs.

NOTE C - INDIRECT COST

National Fish and Wildlife Foundation has not elected to use the 10 percent *de minimus* cost rate allowed under the Uniform Guidance.

NOTE D - CONTINGENCIES

Financial awards from federal governments in the forms of grants are subject to special audits. Such audits could result in claims against the Foundation for disallowed costs or non-compliance with grantor restrictions. No provision has been made for any liabilities that may arise from any such audits.

NOTE E - SUBSEQUENT EVENTS

The Foundation evaluated its September 30, 2020 schedule of expenditures of federal awards for subsequent events through March 2, 2021, the date the schedule of expenditures of federal awards was available to be issued. The Foundation is not aware of any subsequent events which would require recognition or disclosure in this schedule of expenditures federal awards.

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT
AUDITING STANDARDS***

Board of Directors
National Fish and Wildlife Foundation

We have audited, 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, the consolidated financial statements of the National Fish and Wildlife Foundation and subsidiary (the "Foundation"), which comprise the consolidated statement of financial position as of September 30, 2020, and the related consolidated statements of activities and change in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 2, 2021.

Internal control over financial reporting

In planning and performing our audit of the consolidated financial statements, we considered the Foundation'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 internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 Foundation'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 the Foundation's 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 the Foundation's consolidated 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*.

Intended purpose

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 Foundation'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 Foundation's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Arlington, Virginia
March 2, 2021

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
National Fish and Wildlife Foundation

Report on compliance for each major federal program

We have audited the compliance of the National Fish and Wildlife Foundation (the "Foundation") with the types of compliance requirements described in the U.S. Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020. The Foundation'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to the Foundation's federal programs.

Auditor's responsibility

Our responsibility is to express an opinion on compliance for each of the Foundation'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 the Foundation'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 the Foundation's compliance.

Opinion on each major federal program

In our opinion, the Foundation 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 September 30, 2020.

Report on internal control over compliance

Management of the Foundation 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 the Foundation's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal program to design audit 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 the Foundation'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 a 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. Given these limitations, during our audit we did not identify any deficiencies in the Foundation's 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.



Arlington, Virginia
March 2, 2021

National Fish and Wildlife Foundation
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended September 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting:
- a. Material weakness(es) identified? ___ Yes X No
- b. Significant deficiency(ies) identified note considered to be material weaknesses? ___ Yes X None reported
3. Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards:

1. Internal control over major program:
- a. Material weakness(es) identified? ___ Yes X No
- b. Significant deficiency(ies) identified bite considered to be material weaknesses ___ Yes X None reported
2. Type of auditor's report issued on compliance for major programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. *Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards*? ___ Yes X No
4. Identification of major programs:

Assistance Listing No.	Program Title	Grant No.
10.902	Soil and Water Conservation	Various
11.473	Office for Coastal Management	Various
15.153	Hurricane Sandy Disaster Relief	Various
66.466	Chesapeake Bay Program	Various

5. Dollar threshold used to distinguish between Type A and Type B programs: \$ 3,000,000
6. Auditee qualified as a low-risk auditee? X Yes No

National Fish and Wildlife Foundation

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended September 30, 2020

SECTION 2 - FINANCIAL STATEMENTS FINDINGS

None reported.

SECTION 3 - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.