
SAN FRANCISCO BAY BIRD OBSERVATORY FINANCIAL STATEMENTS

December 31, 2010

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

San Francisco Bay Bird Observatory

Contents

Independent Accountants' Review Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to the Financial Statements	6-8

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
San Francisco Bay Bird Observatory
San Francisco, California

We have reviewed the accompanying statements of financial position of San Francisco Bay Bird Observatory (a nonprofit organization) as of December 31, 2010, and the related statements of activities, cash flows, and functional expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Certified Public Accountants
Oakland, California
May 5, 2011

San Francisco Bay Bird Observatory

Statement of Financial Position
December 31, 2010

Assets

Current Assets

Cash and cash equivalents	\$	156,650
Investments (Note 3)		1,851
Accounts receivable		49,942
Pledges receivable		175
Prepaid expenses		10,781
Total Current Assets		<u>219,399</u>

Property and equipment, net (Note 4)		<u>18,604</u>
Total Assets		<u>\$ 238,003</u>

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued expenses	\$	30,402
Total Current Liabilities		<u>30,402</u>

Contingencies (Note 5)

Net Assets

Board-designated (Note 7)		30,611
Undesignated		<u>176,387</u>
Unrestricted		206,998
Temporarily restricted (Note 6)		<u>603</u>
Total Net Assets		<u>207,601</u>

Total Liabilities and Net Assets	\$	<u>238,003</u>
----------------------------------	----	----------------

See Independent Accountants' Review Report
and Notes to the Financial Statements

San Francisco Bay Bird Observatory

**Statement of Activities
For the Year Ended December 31, 2010**

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Support			
Government	\$ 115,608	\$	\$ 115,608
Contributions	63,920		63,920
Foundation and corporate support	2,239	5,000	7,239
Membership dues	31,176		31,176
Program fees	171,486		171,486
In-kind contributions (Note 8)	94,956		94,956
Interest	729		729
Unrealized gain	240		240
Other	3,289		3,289
Net assets released from restrictions (Note 6)	25,962	(25,962)	-
Total Support and Revenue	509,605	(20,962)	488,643
 Expenses			
Program	375,563		375,563
General and administrative	77,482		77,482
Fundraising	135,066		135,066
Total Expenses	588,111	-	588,111
 Change in Net Assets	(78,506)	(20,962)	(99,468)
 Net Assets, beginning of year	285,504	21,565	307,069
 Net Assets, end of year	\$ 206,998	\$ 603	\$ 207,601

See Independent Accountants' Review Report
and Notes to the Financial Statements

San Francisco Bay Bird Observatory
Statement of Cash Flows
For the Year Ended December 31, 2010

Cash flows from operating activities:	
Change in net assets	\$ (99,468)
Adjustments to reconcile change in net assets to cash (used) provided by operating activities:	
Depreciation	9,046
Loss on disposal of fixed assets	1,946
Unrealized gain	(240)
Change in assets and liabilities:	
Accounts receivable	11,670
Pledges receivable	(175)
Prepaid expenses	(3,522)
Accounts payable and accrued expenses	12,722
Net cash used by operating activities	<u>(68,021)</u>
 Cash flows from investing activities:	
Dividends reinvested	<u>(15)</u>
Net cash used by investing activities	<u>(15)</u>
Net change in cash and cash equivalents	<u>(68,036)</u>
Cash and cash equivalents, beginning of year	<u>224,686</u>
Cash and cash equivalents, end of year	<u>\$ 156,650</u>

See Independent Accountants' Review Report
and Notes to the Financial Statements

San Francisco Bay Bird Observatory

Statement of Functional Expenses
For the Year Ended December 31, 2010

	Program					
	Science	Outreach and Education	Total Program	General and administrative	Fundraising	Total
Salaries	\$ 186,805	\$ 17,101	\$ 203,906	\$ 27,119	\$ 68,210	\$ 299,235
Employee benefits	13,326	1,153	14,479	845	7,383	22,707
Payroll taxes	17,597	1,893	19,490	2,769	5,969	28,228
Total personnel	217,728	20,147	237,875	30,733	81,562	350,170
Accounting						
Fees for service	48,363	1,297	49,660	6,750	-	6,750
Supplies	10,544	1,131	11,675	15,536	8,761	73,957
Telephone	1,324	74	1,398	1,471	11,565	24,711
Postage and shipping	1,023	96	1,119	126	232	1,756
Equipment rental and maintenance	399	38	437	218	6,013	7,350
Information technology	4,803	398	5,201	56	104	597
Printing and publications	258	3,271	3,529	701	2,466	8,368
Occupancy	26,918	1,903	28,821	1,798	8,078	13,405
Travel, meals and entertainment	19,856	1,662	21,518	4,706	6,001	39,528
Conferences, conventions, meetings	1,837	458	2,295	1,875	5,878	29,271
Insurance				1,253	1,601	5,149
Depreciation	7,142	325	7,467	2,300	-	2,300
Dues, licenses, service fees	408	19	427	554	1,025	9,046
Miscellaneous	4,087	54	4,141	334	209	970
Total Expenses	\$ 344,690	\$ 30,873	\$ 375,563	\$ 77,482	\$ 135,066	\$ 588,111

See Independent Accountants' Review Report
and Notes to the Financial Statements

SAN FRANCISCO BAY BIRD OBSERVATORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 1: NATURE OF ACTIVITIES

The San Francisco Bay Bird Observatory is a California nonprofit public benefit corporation, established in 1981. Its mission is to conserve birds and their habitats through science and outreach. The Organization conducts avian research and monitoring activities, educates land managers and the public, and contributes to informed decisions regarding conservation challenges in Bay Area habitats.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no permanently restricted net assets.

Revenue Recognition

Contributions are recognized as revenue when received or unconditionally promised. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Foundation is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions and has concluded that as of December 31, 2010, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

SAN FRANCISCO BAY BIRD OBSERVATORY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Equivalents

For purposes of the statement of cash flows, the Organization considers all cash and other highly liquid investments with maturities of three months or less to be cash equivalents.

Property and Equipment

All acquisitions of property and equipment in excess of \$500 and with useful lives greater than 3 years are capitalized. Additionally, all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment.

Fair Value of Financial Instruments

The fair values of financial instruments represent the quoted market prices for identical assets or liabilities in active markets.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of the date that the financial statements were available for distribution there were no significant subsequent events to disclose.

NOTE 3: INVESTMENTS

Investments consisted of mutual funds valued at \$1,851 as of December 31, 2010.

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2010:

Furniture and equipment	\$ 50,307
Vehicles	20,160
Less accumulated depreciation	<u>(51,863)</u>
Total	<u>\$ 18,604</u>

SAN FRANCISCO BAY BIRD OBSERVATORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 5: CONTINGENCIES

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets of \$603 were available as of December 31, 2010, for San Jose watershed work.

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purposes specified by donors as follows during the year ended December 31, 2010:

Snowy Plover habitat	\$ 20,954
Salt Ponds	8
Coyote Creek	<u>5,000</u>
Total	<u>\$ 25,962</u>

NOTE 7: BOARD-DESIGNATED NET ASSETS

As of December 31, 2010, the Organization had \$30,611 of unrestricted net assets designated by the board of directors for capital improvements.

NOTE 8: IN KIND SUPPORT

The Organization benefited from in kind support as follows during the year ended December 31, 2010:

Professional services	\$ 58,623
Goods	7,293
Facility rental	<u>29,040</u>
Total	<u>\$ 94,956</u>