San Francisco Bay Bird Observatory

Financial Statements

December 31, 2021

(With Comparative Totals as of December 31, 2020)

Crosby & Kaneda

Certified Public Accountants
for Nonprofit Organizations

SAN FRANCISCO BAY BIRD OBSERVATORY

Contents

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

1970 Broadway Suite 930
Oakland, CA 94612
www.ckcpa.biz
510-835-2727

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
San Francisco Bay Bird Observatory
Milpitas, California

We have reviewed the accompanying financial statements of San Francisco Bay Bird Observatory (the Organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountants' Conclusion

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

Report on Summarized Comparative Information

The accompanying summarized comparative information as of and for the year ended December 31, 2020 is derived from financials that were previously reviewed by us and we stated that we were not aware of any material modifications that should be made to those financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America in our report dated September 20, 2021. We have not performed procedures in connection with that review engagement since that date.

Crosby + Kaneda CPAs LLP

Oakland, California
October 6, 2022

SAN FRANCISCO BAY BIRD OBSERVATORY

Statement of Financial Position
December 31, 2021
(With Comparative Totals as of December 31, 2020)

	2021	2020
Assets		
Assets		
Cash and cash equivalents	$ 98,402	$ 218,174
Investments (Note 3)	260,256	-
Accounts receivable	166,009	125,558
Prepaid expenses and deposits	7,956	3,445
Property and equipment, net (Note 6)	21,089	4,623
Total Assets	$ 553,712	$ 351,800
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 30,230	$ 15,917
Accrued vacation	10,759	13,645
Deferred revenue	8,500	-
PPP Loan	-	119,220
Total Liabilities	49,489	148,782
Net Assets		
Without donor restrictions	491,110	144,251
With donor restrictions (Note 9)	13,113	58,767
Total Net Assets	504,223	203,018
Total Liabilities and Net Assets	$ 553,712	$ 351,800

SAN FRANCISCO BAY BIRD OBSERVATORY

Statement of Activities
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	Without donor restrictions	With donor restrictions	Totals 2021	Totals 2020
Support and Revenue				
Support				
Government	$ 272,450	$	$ 272,450	$ 280,225
Contributions	250,523	21,000	271,523	230,694
Foundation and corporate support	78,899	5,000	83,899	69,400
Membership dues	27,367		27,367	28,350
In-kind contributions (Note 11)	52,414		52,414	36,001
Total Support	681,653	26,000	707,653	644,670
Revenue				
Habitat preservation and restoration	361,516		361,516	251,387
Interest and other	6,950		6,950	6,288
Total Revenue	368,466	-	368,466	257,675
Paycheck protection program	241,684		241,684	-
Support provided by expiring time and purpose restrictions	71,654	(71,654)	-	-
Total Support and Revenue	1,363,457	(45,654)	1,317,803	902,345
Expenses				
Program				
Avian	557,548		557,548	495,802
Habitats	180,303		180,303	181,555
Outreach	131,060		131,060	78,846
Total Program	868,911		868,911	756,203
Management and general	87,550		87,550	93,150
Fundraising	60,137		60,137	62,746
Total Expenses	1,016,598	-	1,016,598	912,099
Change in Net Assets	346,859	(45,654)	301,205	(9,754)
Net Assets, beginning of year	144,251	58,767	203,018	212,772
Net Assets, end of year	$ 491,110	$ 13,113	$ 504,223	$ 203,018

SAN FRANCISCO BAY BIRD OBSERVATORY

Statement of Cash Flows
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ 301,205	$ (9,754)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	8,345	6,010
Investment activity	(5,002)	-
Donated Stock	(5,253)	-
PPP loan forgiveness	(241,684)	-
Change in assets and liabilities:		
Accounts receivable	(40,451)	61,635
Prepaid expenses and deposits	(4,511)	14,537
Accounts payable and accrued expenses	14,313	(71,285)
Accrued vacation	(2,886)	1,947
Deferred revenue	8,500	(26,657)
Net cash provided (used) by operating activities	32,576	(23,567)
Cash flows from investing activities:		
Purchase of new equipment	(24,812)	-
Purchase of investments	(250,000)	-
Net cash provided (used) by investing activities	(274,812)	-
Cash flows from financing activities:		
PPP Loan - First Round	-	119,220
PPP Loan - Second Round	122,464	-
Net cash provided (used) by financing activities	122,464	119,220
Net change in cash and cash equivalents	(119,772)	95,653
Cash and cash equivalents, beginning of year	218,174	122,521
Cash and cash equivalents, end of year	$ 98,402	$ 218,174
Supplemental Information		
Donated Stock	$ 5,253	$ -

SAN FRANCISCO BAY BIRD OBSERVATORY

Statement of Functional Expenses
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	Program	Management and general	Fundraising	Totals 2021	Totals 2020
Salaries	$ 531,696	$ 45,697	$ 36,475	$ 613,868	$ 526,984
Employee benefits	39,462	4,545	2,708	46,715	49,158
Payroll taxes	40,873	3,314	2,804	46,991	47,260
Total Personnel	612,031	53,556	41,987	707,574	623,402
Grants	11,767	-	-	11,767	54,006
Fees for service - other	88,096	18,419	2,685	109,200	103,149
Supplies and office expenses	56,513	7,979	10,312	74,804	31,066
Information technology	11,675	1,003	801	13,479	19,334
Occupancy	3,907	193	154	4,254	6,205
Travel	17,241	1,482	1,183	19,906	17,845
Conferences and meetings	495	1,142	-	1,637	1,522
Depreciation	7,227	621	497	8,345	6,010
Insurance	11,448	985	785	13,218	13,559
Donated goods	23,254	-	-	23,254	29,918
Donated facilities and service	25,257	2,170	1,733	29,160	6,083
Total Expenses	$ 868,911	$ 87,550	$ 60,137	$ 1,016,598	$ 912,099

Notes to the Financial Statements
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

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's avian monitoring and habitat restoration activities provide critical data that are used to educate land managers and the public, and contribute to informed conservation decisions.

Our science program is comprised of the snowy plover and least tern program, waterbird program and landbird programs. The Snowy Plover and Least Tern Recovery Program works toward the recovery of the federally threatened Western snowy plover and endangered California least tern. Biologists monitor breeding snowy plovers and least terns by surveying former salt ponds, stormwater retention ponds, and other suitable habitat of the San Francisco Bay where the birds breed. Program biologists work closely with local land managers and restoration projects to implement management practices to help increase the snowy plover and least tern population in the Bay. The Waterbird Monitoring Program collects crucial data on the population ecology of San Francisco Bay Area waterbirds. Program biologists, along with approximately 70 volunteers, monitor breeding waterbird colonies, collect data on waterbird distribution, and document disease outbreaks. These data are especially effective in tracking trends in our local bird populations and helping to guide wetland restoration in the Bay Area. At our research station, the Coyote Creek Field Station, our Landbird Program uses the science of bird banding to track avian response to climate change, and document long-term conservation projects in collaboration with local and federal agencies.

The Habitats Program is a science-based restoration program focused on sustainable restoration of tidal marsh-upland transition zone habitats. In 2021, we continued restoring 9.5 additional acres of upland habitat, while managing 22 acres. Planning commenced for a restoration project at Eden Landing Ecological Reserve along Old Alameda Creek, with work scheduled to begin in 2022. Habitat restoration benefits endangered tidal marsh birds and mammals that rely on these habitats as high-tide refugia. Ecologists use science to find innovative solutions for restoration, and work with land managers to integrate tidal marsh-upland transition zone methods into larger restoration projects.

Our Outreach Program connects people with our mission to achieve a greater understanding of avian conservation and science in their community. We also participate in region wide efforts to compile long term datasets to guide restoration and conservation planning efforts. As in 2020, due to COVID-19, we reduced our in-person outreach events and instead created an online series of workshops and speakers to teach children and adults about interesting scientific projects and local wildlife. We also offered opportunities for the general public to be involved in scientific research by participating as citizen scientists in our scientific and habitat programs.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions – are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Accounting for Revenue

The Organization recognizes revenue as performance obligations are satisfied.

Revenue is recognized over time for cost reimbursement contracts as eligible expenses are incurred if other conditions of the contract are satisfied. Revenue from agreements that include milestones and milestone payments are recognized over time as milestones are reached. Revenue from agreements based on hourly rates are recognized over time as time is expended if the Organization expects it will have an enforceable right to payment for such amounts. Revenue is recognized based on estimated progress towards complete satisfaction of the performance obligation if the Organization can reasonably measure such progress. If the Organization’s efforts are expended evenly throughout the performance period the Organization may recognize revenue on a straight-line basis over such a period.

Revenue is recognized at a point in time when goods or services are provided to customers and the Organization is not required to provide additional goods or services or if the above criteria are not met.

The Organization tracks contract assets representing earned amounts that are not yet receivable separately from accounts receivable, if any. As a practical expedient the Organization disregards the effects of potential financing components if the period between payment and performance is one year or less.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless related to a donor specified restriction for a particular purpose or future period.

Habitat Preservation and Restoration

The organization contracts with third parties in support of habitat restoration and other work. The Organization recognizes revenue related to such work over time as the work is performed. The Organization generally bills on an hourly basis for such work. In limited cases the Organization may charge a flat rate per activity, none of which extend beyond one month in duration.

Accounts Receivable

Accounts receivable are primarily unsecured non-interest bearing amounts due from grantors on cost reimbursement or performance grants and customers on performance contracts. The Organization considers all accounts receivable to be fully collectible at December 31, 2021. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Contributions Receivable

Contributions receivable including pledges and grants receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. The Organization evaluates the discount to present value for long term receivables and records the discount if material for presentation. The Organization considers all contributions receivable to be fully collectible at December 31, 2021. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under IRC 501(c)(3) and California RTC 23701(d). The Organization has evaluated its current tax positions as of December 31, 2021 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only 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. The Organization did not have a material amount of donated services during the year ended December 31, 2021

The Organization re-evaluated the activities of its many volunteers and has elected to include a footnote disclosure with respect to their volunteer efforts but does not recognize volunteer efforts for financial statement purposes unless the above criteria are clearly met. This re-evaluation did not result in a change to net assets or net income, but reduced income and expense by $103,495 in the summarized comparative financials for the period ending December 31, 2020.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash Equivalents

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

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over $1,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

Furniture and equipment	3-7 years
Vehicles	5 years

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable.

Deferred Revenue

Deferred revenue represents funds received in advance of the period in which services will be performed.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied.

All employees prepare timesheets for each payroll period and account for all hours worked, both billable and non-billable. Hours are charged to activities and projects within programs. The Organization currently tracks expenses and hours against the following programs: Administration, Fundraising, Habitats, Avian Science, Outreach and Education and Shared (general and common expenses). The Executive Director's salary and benefits, when unidentifiable, are charged to Shared, along with other overhead items such as occupancy costs, general supplies, general travel, outside computer services and general depreciation. Shared costs are allocated to the other programs on the basis of employee hours charged to those programs.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities in conjunction with its other activities. In the cases in which it does, joint costs have been allocated between fundraising and other expense categories in accordance with standards for accounting for costs of activities that include fundraising.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of October 6, 2022**,** the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: INVESTMENTS

Investments consisted of the following at December 31, 2021:

Fixed income	$ 184,156	71%
Equities	76,100	29%
Total	$ 260,256	100%

NOTE 4: INVESTMENT INCOME

Investment income consisted of the following for the year ended December 31, 2021:

Interest and dividends	$ 9
Unrealized and realized gains (losses), net	4,993
Total	$ 5,002

NOTE 5: FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

The Organization utilizes level 1 inputs to value its investment holdings at fair value - such holdings consisted entirely of directly held stocks, exchange traded or mutual funds with daily price availability in active markets.

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2021	2020
Furniture and equipment	$ 67,173	$ 67,173
Vehicles	40,900	16,088
Less accumulated depreciation	(86,984)	(78,638)
Total	$ 21,089	$ 4,623

NOTE 7: CONTINGENCIES

Grant Awards

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.

Paycheck Protection Program

Guidance related to this program is evolving. The SBA reserves the right to audit any forgiveness granted, and such audit activity, if any, may result in changes to amounts forgiven or a requirement to return funds received under the program.

NOTE 8: UNCERTAINTIES

Coronavirus

In March 2020, the WHO classified the COVID-19 outbreak as a pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude of the effect that the pandemic will have on the Center's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact on its financial condition, liquidity, operations and workforce.

NOTE 9: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available as follows as of December 31:

	2021	2020
Breeding Bird Atlas	$ -	$ 58,767
Outreach	13,113	-
Total	$ 13,113	$ 58,767

NOTE 10: CONCENTRATIONS

Receivables

Approximately 47% of total receivables were due from one government agency as of December 31, 2021.

Revenue

The Organization receives a significant portion of its support and revenue from federal, state, and local governments. A significant reduction in the level of this support and revenue, if this were to occur, may have an effect on the Organization's program and activities.

NOTE 11: IN-KIND CONTRIBUTIONS

The Organization benefited from in-kind support as follows during the years ended December 31:

	2021	2020
Goods	$ 23,254	$ 29,917
Facility rental	29,160	6,084
Total	$ 52,414	$ 36,001

NOTE 12: VOLUNTEER EFFORT

In addition to the activity reflected in the financial statements, the Organization is supported by more than 100 volunteers who help the organization conduct research, share data, restore habitat, raise money and educate the community about avian science and bird conservation.

NOTE 13: RETIREMENT PLAN

The Organization participates in the CalSavers program, which is operated by the state of California. All staff are auto-enrolled after 30 days unless they opt out, with a default contribution rate of 5% of salary, which increases over time to 8%. The CalSavers program is a Roth IRA program, those with higher incomes may not be eligible to contribute to the program. Under the CalSavers program employers are prohibited from making contributions to employee accounts and the Organization made no contributions to the plan during the year ended December 31, 2021.

NOTE 14: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2021 are:

Cash and cash equivalents	$ 98,402
Investments	260,256
Accounts receivable	166,009
Less: Purpose-restricted net assets	(13,113)
Total	$ 511,554

As part of the Organization's liquidity management plan, the Organization maintains cash in excess of immediate requirements in cash and cash equivalents including money market accounts.