



Financial Statements  
December 31, 2021

# Rocky Mountain Bird Observatory d/b/a Bird Conservancy of the Rockies

(With Comparative Totals for 2020)

Bird Conservancy of the Rockies  
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December 31, 2021  
(with comparative totals for 2020)

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## Independent Auditor's Report

The Board of Directors  
Rocky Mountain Bird Observatory  
d/b/a Bird Conservancy of the Rockies  
Brighton, Colorado

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of Rocky Mountain Bird Observatory d/b/a Bird Conservancy of the Rockies, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Bird Conservancy of the Rockies as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bird Conservancy of the Rockies and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bird Conservancy of the Rockies' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities of the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bird Conservancy of the Rockies' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bird Conservancy of the Rockies' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Denver, Colorado

May 6, 2022

# Bird Conservancy of the Rockies

## Statement of Financial Position

December 31, 2021

(with comparative totals for 2020)

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 1,760,967	\$ 1,714,001
Contracts and grants receivable	822,417	515,895
Receivable from Scientific and Cultural Facilities District	117,590	98,247
Prepaid expenses and other assets	41,067	38,396
Property and equipment, net	358,681	383,631
Beneficial interest in assets held by community foundation	390,144	150,867
Cash held for transfer to community foundation	100	306
	<u>\$ 3,490,966</u>	<u>\$ 2,901,343</u>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 364,264	\$ 296,106
Refundable advance - PPP loan	-	652,949
Refundable advances - grants	30,986	34,062
Deferred revenue	6,052	9,988
Lease incentives	4,826	11,507
	<u>406,128</u>	<u>1,004,612</u>
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	1,239,869	55,842
Invested in property and equipment, net	358,681	383,631
	<u>1,598,550</u>	<u>439,473</u>
With donor restrictions	1,486,288	1,457,258
	<u>3,084,838</u>	<u>1,896,731</u>
	<u>\$ 3,490,966</u>	<u>\$ 2,901,343</u>

# Bird Conservancy of the Rockies

Statement of Activities

Year Ended December 31, 2021

(with comparative totals for 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue and Support				
Contracts and grants	\$ 4,403,458	\$ -	\$ 4,403,458	\$ 2,875,823
Government assistance - PPP loans	1,305,898	-	1,305,898	-
Scientific and Cultural Facilities District	398,350	-	398,350	330,138
Educational program revenue	55,997	-	55,997	13,099
Contributions	197,564	630,712	828,276	1,759,131
Gross special event revenue	107,520	-	107,520	91,395
Less cost of direct benefits to donors	(21,702)	-	(21,702)	(6,896)
Net special event revenue	85,818	-	85,818	84,499
Interest and other income	12,512	-	12,512	7,170
Change in value of beneficial interest in assets held by community foundation	-	10,752	10,752	9,313
Net assets released from restrictions	612,434	(612,434)	-	-
Total revenue and support	<u>7,072,031</u>	<u>29,030</u>	<u>7,101,061</u>	<u>5,079,173</u>
Expenses				
Program services	5,038,967	-	5,038,967	3,770,607
Management and general	722,477	-	722,477	758,017
Fundraising and development	151,510	-	151,510	97,240
Total expenses	<u>5,912,954</u>	<u>-</u>	<u>5,912,954</u>	<u>4,625,864</u>
Change in Net Assets	1,159,077	29,030	1,188,107	453,309
Net Assets, Beginning of Year	<u>439,473</u>	<u>1,457,258</u>	<u>1,896,731</u>	<u>1,443,422</u>
Net Assets, End of Year	<u>\$ 1,598,550</u>	<u>\$ 1,486,288</u>	<u>\$ 3,084,838</u>	<u>\$ 1,896,731</u>

Bird Conservancy of the Rockies  
Statement of Functional Expenses  
Year Ended December 31, 2021  
(with comparative totals for 2020)

	Program Services	Management and General	Fundraising and Development	Cost of Goods Sold	2021	2020
Personnel costs						
Salaries	\$ 2,859,152	\$ 511,673	\$ 105,395	\$ -	\$ 3,476,220	\$ 2,913,331
Staff benefits and taxes	569,775	101,967	21,003	-	692,745	584,318
Total personnel costs	<u>3,428,927</u>	<u>613,640</u>	<u>126,398</u>	<u>-</u>	<u>4,168,965</u>	<u>3,497,649</u>
Expenses						
Professional services	742,913	44,587	6,654	-	794,154	577,517
Supplies	288,551	4,672	7,449	-	300,672	74,281
Travel and meals	294,654	362	536	-	295,552	164,424
Occupancy and repairs	85,965	20,998	840	-	107,803	118,675
Information technology	60,126	9,207	4,216	-	73,549	49,309
Depreciation and amortization	49,024	16,560	662	-	66,246	72,172
Meetings and dues	52,170	6,451	1,508	-	60,129	29,677
Bank and insurance	36,637	6,000	3,247	-	45,884	42,161
Cost of direct benefits to donors	-	-	-	21,702	21,702	6,896
Total expenses	<u>1,610,040</u>	<u>108,837</u>	<u>25,112</u>	<u>21,702</u>	<u>1,765,691</u>	<u>1,135,111</u>
Total personnel costs and expenses	5,038,967	722,477	151,510	21,702	5,934,656	4,632,760
Less expenses included with revenues on the statement of activities						
Cost of direct benefits to donors	-	-	-	(21,702)	(21,702)	(6,896)
Total expenses included in the expense section on the statement of activities	<u>\$ 5,038,967</u>	<u>\$ 722,477</u>	<u>\$ 151,510</u>	<u>\$ -</u>	<u>\$ 5,912,954</u>	<u>\$ 4,625,864</u>

See Notes to Financial Statements

# Bird Conservancy of the Rockies

## Statement of Cash Flows

Year Ended December 31, 2021

(with comparative totals for 2020)

	2021	2020
Operating Activities		
Change in net assets	\$ 1,188,107	\$ 453,309
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation and amortization	66,246	72,172
Amortization of lease incentives	(6,681)	-
Contributions restricted to endowment held at community foundation	(208,525)	(20,881)
Change in value of beneficial interest in assets held by community foundation	(10,752)	(9,313)
Forgiveness of PPP loans	(1,305,898)	-
Changes in operating assets and liabilities		
Contracts and grants receivable	(306,522)	(52,073)
Receivable from Scientific and Cultural Facilities District	(19,343)	19,294
Prepaid expenses and other assets	(2,671)	3,936
Accounts payable and accrued expenses	78,258	16,058
Refundable advance - PPP loans	652,949	652,949
Refundable advances - grants	(3,076)	6,057
Deferred revenue	(3,936)	2,683
Net Cash from Operating Activities	118,156	1,144,191
Investing Activities		
Purchases of property and equipment	(41,296)	(27,147)
Transfer of endowment assets to community foundation	(228,525)	(63,575)
Net Cash used for Investing Activities	(269,821)	(90,722)
Financing Activities		
Collections of contributions restricted for endowment held by community foundation	208,525	20,881
Payment of accounts payable for property and equipment	(10,100)	-
Payments of equipment lease incentives	-	12,604
Net Cash from Financing Activities	198,425	33,485
Net Change in Cash, Cash Equivalents, and Restricted Cash	46,760	1,086,954
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	1,714,307	627,353
Cash, Cash Equivalents, and Restricted Cash, End of Year	\$ 1,761,067	\$ 1,714,307
Cash and cash equivalents	\$ 1,760,967	\$ 1,714,001
Cash held for transfer to community foundation	100	306
	\$ 1,761,067	\$ 1,714,307
Supplemental Disclosure of non-cash investing activity		
Equipment purchases included in accounts payable	\$ -	\$ 10,100

See Notes to Financial Statements



## **Note 1 - Principal Activity and Significant Accounting Policies**

### **Organization**

Rocky Mountain Bird Observatory d/b/a Bird Conservancy of the Rockies (“we”, “us”, “our”, “the Organization”), is a nonprofit organization established in 1988. We conserve birds and their habitats through an integrated approach of science, education and land stewardship. Our work radiates from the Rockies to the Great Plains, Mexico and beyond. Our mission is advanced through sound science, achieved through empowering people, realized through stewardship and sustained through partnerships. Together, we are improving native bird populations, the land and the lives of people.

We promote a broad, balanced approach to bird conservation and accomplish our work through partnership and daily cooperation with other nonprofits, schools, private landowners, and state and federal natural resource agencies. We accomplish our mission by working in three overlapping and integrated areas:

#### Science

A strong scientific approach distinguishes us from other environmental organizations that focus on policy or political action. The expertise and knowledge of our scientists provide partners with the information necessary to make intelligent and informed decisions about bird conservation.

Our bird monitoring programs serve as "early warning" systems that can identify negative trends in populations, enabling interested citizens and land managers to rapidly intervene with conservation practices that support the long-term viability of species.

To complement our broad-scale population-monitoring programs, focused research projects provide scientific insight into the effects of land management actions, ecological processes, and habitat conditions on the health of bird populations. Such information is vital to understanding the factors underlying population trends and for directing conservation actions. In addition, our research projects provide land managers with feedback regarding the impact of habitat management decisions on the suitability of habitat for birds.

#### Education

We instill an appreciation for birds by providing active, experiential opportunities to learn about birds. In prior years, our education program each year introduced over 44,000 citizens of all ages to the incredible birds of our region. Our programs included classroom experiences, field excursions, and camps. These experiences help move students down a path from awareness to understanding to appreciation of birds; the ultimate goal is to guide students to a point at which they are committed to bird conservation. During the years ended December 31, 2021 and 2020, due to the COVID-19 pandemic, it was estimated that our efforts were reduced by about 35% and 40% due to cancelled camps and in person events. Although we did hold significant virtual programs and webinars over the past two years it is difficult to determine the full extent of the individuals reached through those events.

## Stewardship

The goal of our stewardship division is to build a coalition of landowners and resource professionals who are actively involved in the conservation of lands important to birds. Examples of our stewardship efforts include workshops, presentations, landowner visits, bird surveys, and the distribution of educational materials. The program has also expanded its efforts to helping private landowners find funding for, and implementing, on-the-ground habitat enhancement projects to benefit the conservation of birds and other at-risk wildlife species.

Annually we enhance thousands of acres of habitat in the United States and Mexico for the benefit of people, birds and land.

## Impact of COVID-19

The outbreak of the 2019 coronavirus disease (“COVID-19”), which was declared a global pandemic by the World Health Organization, and the related responses by public health and governmental authorities to contain and combat its outbreak and spread, adversely affected workplaces, economies, and financial markets globally.

Beginning in March 2020 and continuing in 2021, we were required to suspend certain annual survey efforts in Mexico due to international travel and quarantine restrictions between the U.S. and Mexico. In 2020, we had to delay and/or reduce the scope of surveys planned through the spring and summer months due to quarantine and domestic travel restrictions. During the spring and summer months of 2021 we were able to complete all of our planned spring and summer surveys. In addition, our winter monitoring program which was cancelled in November 2020 because of COVID-19 outbreaks in the areas in which we perform species monitoring, was completed at full effort in 2021.

Additionally, beginning in March 2020, we were required to cancel all of our in-person educational programming and went to a reduced in scope virtual platform. We resumed limited in-person programming from June 2020 throughout 2021 where we could meet CDC safety standards. In June 2021 we held our two summer camps while maintaining CDC safety protocols.

Throughout 2020 and 2021, we continued our educational and conservation efforts where possible while applying CDC safety standards and reducing costs. Where seasonal work was not able to be performed due to COVID-19, we did not hire seasonal staff and in order to offset other personnel costs while operating on reduced revenue, we applied for and received funding under the Paycheck Protection Program (PPP) during the years ended December 31, 2021 and 2020. The proceeds of the refundable advances each in the amount of approximately \$653,000 offset payroll, benefits, utilities, certain software licenses and rent. We are closely monitoring our operations, liquidity, and capital resources and are actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to our financial position is not known.

## Comparative Financial Information

The accompanying 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 accounting principles generally accepted in the United States of America (GAAP).

Accordingly, such information should be read in conjunction with our audited financial statements for the year ended December 31, 2020, from which the summarized information was derived.

### **Cash, Cash Equivalents, and Restricted Cash**

We consider all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents. Restricted cash represents cash received for the Birds Forever Endowment but not yet transferred to the Community Foundation of Northern Colorado at December 31, 2021 and 2020, which totaled \$100 and \$306, respectively (Note 3).

### **Receivables and Credit Policies**

Contracts and grants receivable consist primarily of noninterest-bearing amounts due from cost-reimbursable contracts and grants. We determine the allowance for uncollectable contracts and grants receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contracts and grants receivable are written off when deemed uncollectable. At December 31, 2021 and 2020, we determined no allowance for doubtful amounts was necessary. Approximately 56% and 77% of outstanding contracts and grants receivable were due from three grantors at December 31, 2021 and 2020, respectively.

In addition, we receive an annual funding allocation from the Scientific and Cultural Facilities District (SCFD). In November 1988, the voters of the seven-county Denver, Colorado metropolitan area approved formation of a special tax district to support the scientific and cultural institutions within the district. Beginning in 1989, revenues for the district were generated through a sales tax and distributed to various institutions in accordance with the provisions of the act. In 2016, voters from seven-county Denver, Colorado metropolitan area extended the expiration date of the special tax district through June 2030. At December 31, 2021 and 2020, \$117,590 and \$98,247, respectively, represented amounts due but not yet distributed by SCFD, which were collected subsequent to year end.

### **Property and Equipment**

We record property and equipment additions over \$1,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to forty years, or in the case of leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We lease our headquarters (the Old Stone House) located in Brighton, Colorado from Colorado Parks and Wildlife on a rent-free basis over a 99-year term. In exchange, we refurbished and agreed to maintain the property at no cost to Colorado Parks and Wildlife during our occupation of the property. The condition of the property at the commencement of the lease was such that the fair value was considered to be zero. Accordingly, we did not record any value for the use of the property.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2021 and 2020.

### **Beneficial Interest in Assets Held by Community Foundation**

During the year ended December 31, 2018, we established an endowment fund to be held in perpetuity by the Community Foundation of Northern Colorado (the Foundation), named ourselves beneficiary, and made an initial transfer of \$12,636. We granted variance power to the Foundation which allows the Foundation to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the Foundation's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by the Foundation for our benefit and is reported at fair value in the statement of financial position, with distributions and changes in fair value recognized in the statement of activities.

### **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of restrictions imposed by donors or certain grantors. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. We report conditional and unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the financial statements.

### **Revenue and Revenue Recognition**

A substantial portion of our revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. We received cost reimbursable grants of \$9,266,355 that have not been recognized at December 31, 2021 because qualifying expenditures have not yet been incurred. Advance payments of \$30,986 and \$34,062 were recognized in the statement of financial position as refundable advances as of December 31, 2021 and 2020, respectively. Claims for reimbursement filed by us are subject to audit and possible retroactive adjustment or disallowance. To date, no claims for reimbursement have been adjusted or disallowed, and we do not anticipate this happening in the future.

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and right of return, are not recognized until the conditions on which they depend have been substantially met. Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. We recognize special events revenue equal to the fair value of direct benefits to donors when the special event takes place. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

Program revenue is comprised of revenue from school field trips, summer camps and family, community and outreach events. We recognize program revenue at the point in time our performance obligation to provide the program services is met or when the field trip or event has taken place. Contract liabilities are reported as deferred revenue in the statement of financial position and consist of program service fees received in advance of the performance obligation being met.

During 2021 and 2020, we received significant portions of our contracts and grants revenue from the following:

	<u>2021</u>	<u>2020</u>
U.S. Fish and Wildlife Service	8%	10%
National Fish and Wildlife Foundation	18%	14%
U.S. Forest Service	16%	14%
Colorado Parks and Wildlife	15%	11%

Members of our Board of Directors contributed \$177,922 and \$232,918 during the years ended December 31, 2021 and 2020, respectively.

#### **Grant and Indirect Cost Allocations**

In accordance with the terms of certain grant agreements, we are permitted to allocate and receive reimbursement for allowable indirect costs on a percentage-of-direct-costs basis. Indirect cost rates are approved by the various grantor agencies; however, reimbursement is limited to the lower of computed allowable indirect costs or actual indirect costs incurred.

#### **Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Although no amounts have been reflected in the financial statements, we estimate that 9,632 and 5,010 volunteer hours valued at approximately \$292,000 and \$148,000 were provided to us during the years ended December 31, 2021 and 2020, respectively. Contributed goods are recorded at fair value at the date of donation. We record donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received in 2021 and 2020.

### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. The expenses that are allocated include salaries, staff benefits and taxes which are allocated on the basis of time and effort and occupancy and repairs, information technology, depreciation and amortization, and bank and insurance, which are allocated on a square-footage basis.

### **Income Taxes**

Bird Conservancy of the Rockies is organized as a Colorado nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3), qualifies for the charitable contribution deduction and has been determined not to be a private foundation. We are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, we are subject to income tax on net income that is derived from business activities that are unrelated to our exempt purposes. We have determined the Organization is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

### **Financial Instruments and Credit Risk**

We manage deposit concentration risk by placing our cash and cash equivalents with financial institutions we believe to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, we have not experienced losses in any of these accounts. Credit risk associated with SCFD, contracts, and grants receivable is considered minimal because substantial portions of the outstanding amounts are due from state and federal government agencies, and historically, uncollected balances have been minimal.

### **Subsequent Events**

We have evaluated subsequent events through May 6, 2022, the date the financial statements were available to be issued.

**Note 2 - Liquidity and Availability**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2021	2020
Cash and cash equivalents	\$ 1,491,467	\$ 1,272,207
Contracts and grants receivable	822,417	515,895
Receivable from Scientific and Cultural Facilities District	117,590	98,247
	<u>\$ 2,431,474</u>	<u>\$ 1,886,349</u>

Our cash and cash equivalents at December 31, 2021 and 2020 include donor-restricted funds of \$826,444 and \$864,291, respectively, expected to be spent in the normal course of operations during the next fiscal year (Note 8).

We follow a policy of operating with a balanced budget. As part of our liquidity management plan, we have a line of credit that provides for available borrowings of up to \$500,000 (Note 5). The line of credit is reviewed and renewed by the bank annually.

**Note 3 - Fair Value Measurements and Disclosures**

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect our own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset.

Below is a reconciliation of the beginning and ending balance of our beneficial interest in assets held by the Community Foundation of Northern Colorado (the Foundation) measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2021 and 2020:

	2021	2020
Beginning balance	\$ 150,867	\$ 77,979
Transfer of endowment assets to the Foundation	228,525	63,575
Net investment return	10,752	9,313
Ending balance	<u>\$ 390,144</u>	<u>\$ 150,867</u>

At December 31, 2021 and 2020, cash held for transfer to community foundation of \$100 and \$306, respectively, was transferred to the Foundation subsequent to year end.

#### Note 4 - Property and Equipment

Property and equipment consists of the following at December 31, 2021 and 2020:

	2021	2020
Restoration costs - the Old Stone House	\$ 541,317	\$ 541,317
Building and improvements	209,769	209,769
Furnishings and fixtures	38,567	38,567
Computers and software	207,615	201,352
Equipment	9,495	9,495
Vehicles	51,571	35,567
	<u>1,058,334</u>	<u>1,036,067</u>
Less accumulated depreciation and amortization	<u>(699,653)</u>	<u>(652,436)</u>
	<u>\$ 358,681</u>	<u>\$ 383,631</u>



**Note 5 - Line of Credit**

We have a \$500,000 revolving line of credit with a bank, secured by accounts receivable. Borrowings under the agreement bear interest at the Wall Street Journal Prime Rate plus 1.00%, or a floor of 4.25% (4.25% at December 31, 2021 and 2020). Accrued interest and principal are due June 4, 2022. The agreement requires us to comply with certain financial and non-financial covenants. There was no balance outstanding at December 31, 2021 and 2020 under the line.

**Note 6 - Refundable Advance – Paycheck Protection Program (PPP) Loan**

In January 2021 and April 2020, we were granted a \$652,949 loan under the Payroll Protection Program by a Small Business Administration (SBA) approved partner. The loans were uncollateralized and fully guaranteed by the federal government. We were eligible for loan forgiveness of up to 100% of each of the loans, upon meeting certain requirements. We initially recorded the loans as a refundable advance. We were granted full forgiveness of each of the loans in January 2021 and in November 2021. Proceeds from the loans were eligible for forgiveness if used for certain payroll, rent, software and utility expenses. Government assistance revenue of \$1,305,898 has been recorded for the year ended December 31, 2021.

**Note 7 - Leases**

We lease office space under a noncancelable operating lease expiring in January 2023. We also lease various equipment items through 2025. During 2020, we received lease incentives in the amount of \$12,604 under an equipment lease that will be amortized against rent expenses for the duration of the lease term.

Future minimum lease payments are as follows:

<u>Years Ending December 31,</u>	
2022	\$ 71,499
2023	12,203
2024	10,945
2025	<u>7,173</u>
	<u>\$ 101,820</u>

Rent expense for the years ended December 31, 2021 and 2020 totaled \$82,073 and \$68,667, respectively.

**Note 8 - Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes at December 31, 2021 and 2020:

	2021	2020
Subject to expenditure for specified purpose		
Science programs	\$ 317,795	\$ 114,254
Stewardship programs	32,357	40,404
Educational programs	10,215	8,181
Grassland Summit	111,618	178,008
KFF Grassland Project	616,809	957,988
Old Stone House	7,250	7,250
	<u>1,096,044</u>	<u>1,306,085</u>
Birds Forever Endowment – perpetual in nature, distributions from which are available for general use		
Beneficial interest in assets held by community foundation	390,144	150,867
Cash held for transfer to community foundation	<u>100</u>	<u>306</u>
	<u>390,244</u>	<u>151,173</u>
	<u>\$ 1,486,288</u>	<u>\$ 1,457,258</u>

Net assets released from restrictions by incurring expenses satisfying the restricted purposes totaled \$612,434 and \$567,698 for the years ended December 31, 2021 and 2020, respectively.

**Note 9 - Employee Benefits**

We sponsor a tax-deferred annuity plan (the Plan) qualified under Section 403(b) of the Internal Revenue Code (IRC) covering all full-time employees. Under the Plan, we match employee voluntary salary reductions up to 3% of each employee's gross compensation. During the years ended December 31, 2021 and 2020, we contributed \$69,048 and \$66,342 to the Plan, respectively.



Federal Awards Reports in Accordance with  
the Uniform Guidance  
December 31, 2021

Rocky Mountain Bird Observatory  
d/b/a Bird Conservancy of the Rockies

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ..... 1

Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance 3

    Schedule of Expenditures of Federal Awards ..... 6

    Notes to Schedule of Expenditures of Federal Awards ..... 9

    Schedule of Findings and Questioned Costs ..... 10



**Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors  
Rocky Mountain Bird Observatory  
d/b/a Bird Conservancy of the Rockies  
Brighton, Colorado

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 financial statements of Rocky Mountain Bird Observatory d/b/a Bird Conservancy of the Rockies (the Organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 6, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

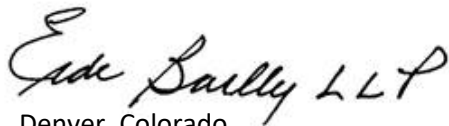
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Denver, Colorado

May 6, 2022



**Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

Board of Directors  
Rocky Mountain Bird Observatory  
d/b/a Bird Conservancy of the Rockies  
Brighton, Colorado

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Rocky Mountain Bird Observatory d/b/a Bird Conservancy of the Rockies (the Organization)’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization’s major federal programs for the year ended December 31, 2021. The Organization’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Organization as of and for the year ended December 31, 2021 and have issued our report thereon dated May 6, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Denver, Colorado

May 6, 2022

Bird Conservancy of the Rockies  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2021

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal Financial Assistance Listing/ CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
Conservation Reserve Program	10.069	N/A	\$ 102,140
Soil and Water Conservation	10.902	N/A	137,379
Environmental Quality Incentives Program	10.912	N/A	200,541
Conservation Stewardship Program	10.924	N/A	230,559
Agricultural Conservation Easement Program	10.931	N/A	<u>26,723</u>
<b>Subtotal Direct Programs</b>			<u>697,342</u>
<b>Pass-Through Program from</b>			
National Fish and Wildlife Foundation:			
Conservation Reserve Program	10.069	2501.20.066963	9,997
United States Fish and Wildlife: International	10.684	20-DG-11132762-353	60,646
Soil and Water Conservation Districts of Montana:			
Farm Bill Program Implementation	10.902	68-0325-18-005	21,660
National Fish and Wildlife Foundation: Soil and Water Conservation			
	10.902	2004.17.058688	15,490
	10.902	2004.18.062957	13,401
	10.902	2501.20.066963	41,715
	10.902	2004.19.066493	74,848
National Fish and Wildlife Foundation:			
Environmental Quality Incentives Program	10.912	0801.17.061167	36,578
	10.912	2004.18.062957	14,289
	10.912	2504.20.066858	66,726
The Nature Conservancy:			
Environmental Quality Incentives Program	10.912	G112019-BCR	35,080
Soil and Water Conservation Districts of Montana:			
Environmental Quality Incentives Program	10.912	68-0325-18-005	5,415
Soil and Water Conservation Districts of Montana:			
Conservation Stewardship Program	10.924	68-0325-18-005	4,165
National Fish and Wildlife Foundation: Conservation Stewardship Program			
	10.924	2501.20.066963	39,398
	10.924	2004.18.062957	16,671
National Fish and Wildlife:			
Agricultural Conservation Easement Program	10.931	2501.20.066963	12,164
Soil and Water Conservation Districts of Montana:			
Agricultural Conservation Easement Program	10.931	68-0325-18-005	<u>417</u>
<b>Subtotal Pass-Through Programs</b>			<u>468,660</u>
<b>Total U.S. Department of Agriculture</b>			<u>\$ 1,166,002</u>

Bird Conservancy of the Rockies  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2021

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal Financial Assistance Listing/ CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b><u>U.S. Department of Defense</u></b>			
Basic and Applied Scientific Research	12.300	N/A	\$ 2,500
<b>Total U.S. Department of Defense</b>			<b>\$ 2,500</b>
<b><u>U.S. Department of Interior</u></b>			
Bureau of Land Management Threatened or Endangered Species	15.246	N/A	\$8,672
Bureau of Land Management Wildlife Resource Management	15.247	N/A	107,652
Neotropical Migratory Bird Conservation	15.635	N/A	271,450
US Fish and Wildlife Service Conservation	15.655	N/A	116,797
National Fish and Wildlife Conservation	15.664	N/A	14,360
Cooperative Ecosystem Studies Units	15.678	N/A	2,041
Natural Resource Stewardship	15.944	N/A	51,718
<b>Subtotal Direct Programs</b>			<b>572,690</b>
<b>Pass-Through Program from</b>			
National Fish and Wildlife Foundation: Fish, Wildlife and Plant Conservation Resource Management	15.231	2504.20.066858	22,748
State of Utah: Fish, Wildlife and Plant Conservation Resource Management	15.231	166293	19,769
Klamath Bird Observatory: Wildlife Resource Management	15.247	Stratification & Data Mgmt-2020	1,920
Klamath Bird Observatory: Wildlife Resource Management	15.247	Stratification & Data Mgmt-2021	1,720
State of Utah: Wildlife Resource Management	15.247	216347	36,895
<i>Fish and Wildlife Cluster</i>			
Playa Lakes Joint Venture: Wildlife Restoration and Basic Hunter Education	15.611	IMBCR for PLJV-2021	75,900
Montana Department of Fish, Wildlife and Parks: Wildlife Restoration and Basic Hunter Education	15.611	P20066	4,950
Nebraska Game and Parks: Wildlife Restoration and Basic Hunter Education	15.611	CWB NE-20-22	1,699

Bird Conservancy of the Rockies  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2021

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal Financial Assistance Listing/ CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
New Mexico Game and Fish:	15.611	22-516-0000-00005	16,083
Wildlife Restoration and Basic Hunter Education	15.611	21-516-0000-00004	25,000
Arizona Game and Fish: Wildlife Restoration	15.626	IMBCR Overlay Analysis 20-21	<u>10,000</u>
<i>Total Fish and Wildlife Cluster</i>			<u>133,632</u>
Nebraska Game and Parks:			
State Wildlife Grants	15.634	CWB NE-20-22	41,321
South Dakota Game, Fish and Parks:			
State Wildlife Grants	15.634	T-83-R-1:2495	14,418
Wyoming Game and Fish:			
State Wildlife Grants	15.634	2848	72,245
National Fish and Wildlife Foundation:			
NFWF-USFWS Conservation Partnership	15.663	2506.20.068061	46,643
	15.663	2501.19.063246	79,738
	15.663	2505.20.070662	5,070
	15.663	1201.18.062591	16,871
	15.663	1201.19.066562	<u>50,715</u>
<b>Subtotal Pass-Through Programs</b>			<u>543,705</u>
<b>Total U.S. Department of Interior</b>			<u>\$ 1,116,395</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 2,284,897</u></u>
Sum of (a) Total CFDA 10.069			\$ 112,137
Sum of (b) Total CFDA 10.902			\$ 304,493
Sum of (c) Total CFDA 10.912			\$ 358,629
Sum of (d) Total CFDA 10.924			\$ 290,793
Sum of (e) Total CFDA 10.931			\$ 39,304
Sum of (f) Total CFDA 15.231			\$ 42,517
Sum of (g) Total CFDA 15.247			\$ 148,187
Sum of (h) Total CFDA 15.611			\$ 123,632
Sum of (i) Total CFDA 15.634			\$ 127,984
Sum of (j) Total CFDA 15.663			\$ 199,037

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Rocky Mountain Bird Observatory d/b/a Bird Conservancy of the Rockies (the Organization) under programs of the federal government for the year ended December 31, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported in the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal assistance has been provided to a subrecipient during the year ended December 31, 2021.

**Note 3 - Indirect Cost Rate**

The Organization has not elected to use the 10% de minimis cost rate.

**Section I – Summary of Auditor’s Results**

**FINANCIAL STATEMENTS**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted	No

**FEDERAL AWARDS**

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	No

**Identification of major programs:**

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing/CFDA Number</u>
Neotropical Migratory Bird Conservation	15.635
Soil and Water Conservation	10.902
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

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**Section II – Financial Statement Findings**

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None

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**Section III – Federal Awards Findings**

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None