

Greater Farallones Association

Financial Statements
and Single Audit Reports and Schedules

March 31, 2025
(With Comparative Totals for 2024)



TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1 - 3
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 17
Single Audit Reports and Schedules	
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 <i>Government Auditing Standards</i>	19 - 20
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	21 - 23
Schedule of Expenditures of Federal Awards	24 - 25
Notes to Schedule of Expenditures of Federal Awards	26
Schedule of Findings and Questioned Costs	27 - 28
Summary Schedule of Prior Audit Findings	29



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Greater Farallones Association

Opinion

We have audited the accompanying financial statements of Greater Farallones Association, which comprise the statement of financial position as of March 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Farallones Association as of March 31, 2025, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Greater Farallones Association 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 Greater Farallones Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for 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 generally accepted auditing standards and *Government Auditing Standards* 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, including omissions, 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 generally accepted auditing standards and *Government Auditing Standards*, 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 Greater Farallones Association's 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 Greater Farallones Association's 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.

Supplementary Information

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, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2025, on our consideration of GFA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GFA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GFA's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Greater Farallones Association's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 8, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

San Francisco, California

September 15, 2025

Greater Farallones Association
Statement of Financial Position
March 31, 2025
(With Comparative Totals for 2024)

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 1,062,166	\$ 588,147
Accounts receivable	7,562	29,324
Grants and contracts receivable	429,037	439,588
Inventory	3,400	3,680
Prepaid and other current assets	41,574	122,008
Operating right-of-use asset	104,855	133,905
Property and equipment, net	<u>32,458</u>	<u>41,376</u>
Total assets	<u><u>\$ 1,681,052</u></u>	<u><u>\$ 1,358,028</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 309,522	\$ 151,014
Accrued expenses	194,958	254,191
Deferred revenue	271,667	29,865
Operating lease liability	<u>106,275</u>	<u>134,059</u>
Total liabilities	<u>882,422</u>	<u>569,129</u>
Net assets		
Without donor restrictions	338,523	299,927
With donor restrictions	<u>460,107</u>	<u>488,972</u>
Total net assets	<u>798,630</u>	<u>788,899</u>
Total liabilities and net assets	<u><u>\$ 1,681,052</u></u>	<u><u>\$ 1,358,028</u></u>

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

Greater Farallones Association
Statement of Activities
For the Year Ended March 31, 2025
(With Comparative Totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Revenues, gains, and other support				
Government grants	\$ 3,652,710	\$ -	\$ 3,652,710	\$ 2,543,398
Contributions and grants	381,159	411,117	792,276	796,525
In-kind contributions	770,909	-	770,909	650,267
Government contracts	34,308	-	34,308	129,988
Program service fees	78,491	-	78,491	92,669
Interest and dividend income	5,271	-	5,271	37,121
Other revenue	3,501	-	3,501	5,563
Net assets released from restriction	439,982	(439,982)	-	-
Total revenues, gains, and other support	<u>5,366,331</u>	<u>(28,865)</u>	<u>5,337,466</u>	<u>4,255,531</u>
Functional expenses				
Program services	4,398,932	-	4,398,932	3,431,852
Management and general	571,343	-	571,343	551,617
Fundraising	357,460	-	357,460	177,167
Total functional expenses	<u>5,327,735</u>	<u>-</u>	<u>5,327,735</u>	<u>4,160,636</u>
Change in net assets	38,596	(28,865)	9,731	94,895
Net assets, beginning of year	<u>299,927</u>	<u>488,972</u>	<u>788,899</u>	<u>694,004</u>
Net assets, end of year	<u>\$ 338,523</u>	<u>\$ 460,107</u>	<u>\$ 798,630</u>	<u>\$ 788,899</u>

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

Greater Farallones Association
Statement of Functional Expenses
For the Year Ended March 31, 2025
(With Comparative Totals for 2024)

	Program Services	Management and General	Fundraising	2025 Total	2024 Total
Personnel expenses					
Salaries and wages	\$ 1,268,386	\$ 261,895	\$ 214,355	\$ 1,744,636	\$ 1,738,221
Employee benefits	290,758	46,258	31,660	368,676	390,106
Payroll taxes	107,888	23,982	18,359	150,229	141,716
Total personnel expenses	<u>1,667,032</u>	<u>332,135</u>	<u>264,374</u>	<u>2,263,541</u>	<u>2,270,043</u>
Professional services	694,224	152,542	13,575	860,341	673,223
Subawards and contracted services	865,544	17,393	53,939	936,876	401,662
Rent, lab space and facility expenses	259,872	18,876	9,096	287,844	204,412
Restoration-specific expenses	612,308	16	-	612,324	199,008
Supplies and equipment	87,936	1,933	1,192	91,061	149,747
Vessel and equipment rental	70,211	-	-	70,211	109,035
Travel, training and conferences	108,861	5,212	301	114,374	80,054
Dues and subscriptions	12,542	6,533	3,756	22,831	21,754
Miscellaneous	-	-	-	-	1,494
Insurance	3,259	15,128	-	18,387	16,355
Internet, communications and office expenses	10,625	9,942	11,227	31,794	19,959
Depreciation	6,260	2,658	-	8,918	8,612
Bank and merchant fees	258	8,975	-	9,233	5,278
	<u>\$ 4,398,932</u>	<u>\$ 571,343</u>	<u>\$ 357,460</u>	<u>\$ 5,327,735</u>	<u>\$ 4,160,636</u>

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

Greater Farallones Association
Statement of Cash Flows
For the Year Ended March 31, 2025
(With Comparative Totals for 2024)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ 9,731	\$ 94,895
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	8,918	8,612
Change in value of operating lease right-of-use asset	29,050	15,239
Changes in operating assets and liabilities		
Accounts receivable	21,762	160,458
Grants and contracts receivable	10,551	(354,095)
Inventory	280	155
Prepaid expenses	80,434	(24,247)
Accounts payable	158,508	35,134
Accrued expenses	(59,233)	51,713
Deferred revenue	241,802	(449,321)
Operating lease liability	(27,784)	(15,085)
Net cash provided by (used in) operating activities	<u>474,019</u>	<u>(476,542)</u>
Cash flows from investing activities		
Purchases of property and equipment	<u>-</u>	<u>(18,373)</u>
Net increase (decrease) in cash and cash equivalents	474,019	(494,915)
Cash and cash equivalents, beginning of year	<u>588,147</u>	<u>1,083,062</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,062,166</u></u>	<u><u>\$ 588,147</u></u>

Supplemental schedule of noncash investing and financing activities

Operating lease right-of-use asset obtained in exchange for lease liability	\$ -	\$ 149,144
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The accompanying notes are an integral part of these financial statements.

Greater Farallones Association
Notes to Financial Statements
March 31, 2025
(With Comparative Totals for 2024)

1. NATURE OF ACTIVITIES

Greater Farallones Association ("GFA") is the primary nonprofit organization partnering with the Greater Farallones and Cordell Bank National Marine Sanctuaries ("the Sanctuaries") to conserve the wildlife and habitats of the Sanctuaries through scientific research, environmental education, community-based conservation, habitat restoration, and sanctuary support. Through high-impact programs rooted in science, GFA reaches thousands of adults and youth each year in ocean conservation, manages ecosystem monitoring by highly trained community members, tracks population trends for globally significant wildlife in the Sanctuaries, restores vital habitats like kelp forests, and supports coastal resilience to environmental challenges through nature-based solutions.

GFA's core program activities are as follows:

Conservation and Restoration

GFA restores coastal and marine habitats, conserves vulnerable wildlife and ecosystems, and assists coastal communities in preparing for environmental change. Responding to a drastic decline in vital bull kelp habitat along the North-central California coast, GFA coordinates a large-scale project to restore kelp forests along 200 miles of coastline. Promoting nature-based solutions, GFA manages work to increase the resilience of ecologically important coastal habitats to shifting environmental conditions, supporting the long-term health of migrating shorebirds and complex wetland ecosystems that are vital to the Sanctuary's health. GFA also leads collaborative efforts to better manage sediment on California beaches to protect humans and wildlife. Through targeted outreach, GFA also significantly reduces boat and aircraft disturbances to endangered whales and key seabird colonies.

Community Science and Ecosystem Monitoring

GFA monitors the health of wildlife and ecosystems in the coastal and marine habitats of the Sanctuaries. Through the Beach Watch program, GFA coordinates skilled volunteers to conduct monthly surveys along more than 200 miles of beaches, tracking changes in wildlife populations and habitats for over 30 years. The financial statements reflect the value of this volunteer labor, highlighting the significant leverage provided by the Beach Watch program. Through the Long-term Monitoring Program and Experiential Training for Students ("LiMPETS"), GFA engages high school and middle school students in hands-on scientific fieldwork in intertidal areas. GFA also supports the Sanctuaries in monitoring marine wildlife distribution and abundance, zooplankton prey availability, and oceanographic conditions. Data collected and analyzed by GFA staff are used by federal and state resource managers to inform science-based decisions for protecting the Sanctuaries.

Greater Farallones Association
Notes to Financial Statements
March 31, 2025
(With Comparative Totals for 2024)

1. NATURE OF ACTIVITIES (continued)

Education and Outreach

GFA engages thousands of youth and adults each year, connecting communities and students from California coastal communities to their local ocean environment. In collaboration with the Greater Farallones National Marine Sanctuary, GFA operates the Sanctuary's Visitor Center - caring for marine animals in saltwater aquaria and leading field trips on the sandy beaches of Crissy Field in the Presidio, where the Visitor Center and joint offices are located. With support from private funders and local governments, GFA provides inquiry-based lessons to Bay Area students that foster curiosity, encourage discovery, and inspire a lasting connection to science, nature, and ocean stewardship.

Office of National Marine Sanctuary Memorandum of Agreement

GFA implements joint programs under a Memorandum of Agreement ("MOA") with the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Ocean Service, Office of National Marine Sanctuaries ("ONMS"). The current MOA took effect on April 1, 2023, and runs through December 31, 2028. ONMS also provides financial assistance to GFA through annexes to the MOA, which outline specific joint projects and statements of work.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

Basis of accounting

The financial statements of GFA are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") applicable to non-profit organizations. Accordingly, net assets, revenue, and gains and losses are classified based on the existence or absence of donor-imposed restrictions:

- *Net assets without donor restrictions* - represents the portion of net assets which is neither subject to time or donor-imposed restrictions. GFA's board of directors may designate assets without donor restrictions for specific operational purposes from time to time.
- *Net assets with donor restrictions* - represents the portion of net assets subject to stipulations imposed by donors and grantors. Some stipulations are temporary in nature; those stipulations may expire with time or be satisfied by the actions of GFA. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Greater Farallones Association
Notes to Financial Statements
March 31, 2025
(With Comparative Totals for 2024)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting (continued)

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restrictions or by law. Expirations of net assets with donor restriction (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and cash equivalents

Cash and cash equivalents, for the purposes of the statements of financial position and cash flows, consist of amounts held with banks, highly liquid money market funds, and other investments with an initial maturity of three months or less. GFA maintains its cash and cash equivalents in bank deposit accounts and in money market funds, which at times, may be in excess of federally insured limits. Management believes GFA is not exposed to any significant risks on its cash accounts.

Accounts receivable

Accounts receivable consist of amounts due under fee for services contracts and programs. All accounts receivable are due within one year. GFA uses the allowance method to account for uncollectible accounts receivable. The allowance for expected credit losses is based on historical collection experience, an evaluation of specific receivables, and expectations of future cash flows. GFA believes all accounts receivable to be collectible as of March 31, 2025 and 2024.

Grant revenue

GFA's programs are supported by government and non-government grants and contracts which are conditioned upon certain performance requirements and/or incurring qualifying expenses. Amounts received are recognized as revenue when GFA has incurred expenditures in compliance with specific contract or grant provisions or has satisfied the performance obligations, as applicable. Amounts billed or received prior to incurring qualifying expenditures or satisfaction of performance obligations are reported as deferred revenue in the statement of financial position. GFA has elected a simultaneous release option to account for these grants and thus are recorded as grants without donor restriction upon satisfaction of the barriers. GFA was awarded cost reimbursable grants of \$6,064,851 which have not been recognized because qualifying expenditures have not yet been incurred at March 31, 2025.

Greater Farallones Association
Notes to Financial Statements
March 31, 2025
(With Comparative Totals for 2024)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and contracts receivable

Grants and contracts receivable are stated at the amount management expects to collect from outstanding balances. GFA uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of specific receivable amounts. Management has deemed all receivables to be fully collectable; therefore, no allowance has been recognized in the accompanying financial statements.

Contributions and promises to give

Contributions received and promises to give are recognized as revenue without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is, when the barrier for which they depend is achieved and the right of release/return has been overcome. Unconditional promises to give which are expected to be collected in future years are recorded at the present value of their estimated future cash flows at an appropriate discount rate. Amortization of any such discount is included in contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and current aging of the promise to give. There were no promises to give as of March 31, 2025 and 2024.

Property and equipment

Property and equipment are stated at cost, if purchased, or at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Asset lives range from five years to ten years. GFA capitalizes additions of property and equipment in excess of \$5,000 cost or fair value, if donated. Expenditures for maintenance and repairs are charged to expense as incurred.

Under the MOA with NOAA, GFA may occupy and use certain buildings without paying rent, whereby the National Park Services owns the buildings and leases them directly to NOAA, not GFA.

GFA reviews long-lived property and equipment for impairment when circumstances indicate that the carrying amount of an asset may not be recoverable. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value. No such impairment was recognized during the years ended March 31, 2025 or 2024.

Greater Farallones Association
Notes to Financial Statements
March 31, 2025
(With Comparative Totals for 2024)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-kind contributions

Scientists, field observers, and other professionals contribute substantial professional services to GFA. GFA determines the fair value of those services based on actual and estimated costs to obtain the services in markets available to GFA. In addition, under various agreements with ONMS, ONMS provides office space, utilities, and the use of government vehicles to GFA free of cost. GFA determines the fair value of those items based on cost information provided by ONMS.

GFA uses the contributed services and use of facilities and equipment in its activities. GFA allocates contributed services to the programs benefiting and contributed space based on personnel counts.

Program service fees

Program service fees consist of amounts earned under fee for services contracts providing program services, including use of facilities, educational visits, and summer camps. GFA recognizes program service fees when providing the contracted services or upon completion of the use, visit or camp.

Functional expenses

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

Direct identification of specific expenses is GFA's preferred method of charging expenses to the various functions. GFA allocates direct costs which benefit more than one activity on the basis of relative usage. GFA allocates indirect costs on the basis of actual and estimated personnel time spent and space used.

Use of estimates

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

Greater Farallones Association
Notes to Financial Statements
March 31, 2025
(With Comparative Totals for 2024)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax status

GFA is exempt from federal income tax on related income under Section 501(c)(3) of the Internal Revenue Code ("IRC"), and from California franchise and/or income taxes under Section 23701d of the Revenue and Taxation Code.

GFA evaluates its tax positions taken or expected to be taken to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the "more-likely-than-not" threshold are recorded as an expense in the applicable year. Management has evaluated GFA's tax positions as of March 31, 2025 and 2024 and concluded GFA had maintained its tax-exempt status and had taken no uncertain tax positions which require adjustment to the financial statements.

Summarized information

The financial statements include certain prior year summarized comparative information in total but not by net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with GFA's financial statements for the year ended March 31, 2024, from which the summarized information was derived.

Reclassifications

Certain amounts presented in the prior year financial statements have been reclassified in order to conform to the current year presentation. Such reclassifications had no effect on total assets, changes in net assets, or cash flows as previously presented.

Subsequent events

GFA has evaluated subsequent events through September 15, 2025, which is the date the financial statements were available to be issued. No subsequent events have occurred that would have a material impact on the presentation of GFA's financial statements.

Greater Farallones Association
Notes to Financial Statements
March 31, 2025
(With Comparative Totals for 2024)

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available within one year of the statement of financial position date for expenditures are as follows:

Cash and cash equivalents	\$ 1,062,166
Accounts receivable	7,562
Grants and contracts receivable	<u>429,037</u>
	1,498,765
Net assets with donor restrictions	<u>(460,107)</u>
	<u><u>\$ 1,038,658</u></u>

GFA manages its cash using a cash flow tool, monitored and updated regularly, to identify future cash needs. In addition, GFA reviews key performance indicators for each program, including those that may impact liquidity. As part of its liquidity management, GFA invests cash in excess of daily requirements in short-term investments, typically interest-bearing demand deposits with commercial banks and savings accounts and a money market mutual fund with a regulated investment company.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following as of March 31:

	<u>2025</u>	<u>2024</u>
Bank accounts and cash	\$ 745,238	\$ 183,495
Petty cash and other cash equivalents	35,664	8,095
Money market funds and bank deposits	<u>281,264</u>	<u>396,557</u>
	<u><u>\$ 1,062,166</u></u>	<u><u>\$ 588,147</u></u>

Greater Farallones Association
Notes to Financial Statements
March 31, 2025
(With Comparative Totals for 2024)

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of March 31:

	<u>2025</u>	<u>2024</u>
Computer equipment	\$ 36,953	\$ 36,953
Scientific field equipment	<u>44,213</u>	<u>44,213</u>
	81,166	81,166
Accumulated depreciation	<u>(48,708)</u>	<u>(39,790)</u>
	<u><u>\$ 32,458</u></u>	<u><u>\$ 41,376</u></u>

Depreciation expense totaled \$8,918 and \$8,612 for the years ended March 31, 2025 and 2024, respectively.

6. LEASES

GFA has a lease agreement for indoor and outdoor space which expires in June 2028.

The scheduled minimum lease payments under the lease terms are as follows:

<u>Year ending March 31,</u>	
2026	\$ 34,444
2027	35,263
2028	36,107
2029	<u>9,079</u>
	114,893
Less: discount to present value	<u>(8,618)</u>
	<u><u>\$ 106,275</u></u>

Additional information related to GFA's leases is as follows:

Cash flows for operating leases	\$27,784
Operating lease costs	\$29,050
Weighted average discount rate	4.94%
Weighted average remaining lease term	3.25 years

Greater Farallones Association
Notes to Financial Statements
March 31, 2025
(With Comparative Totals for 2024)

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of March 31:

	<u>2025</u>	<u>2024</u>
James Crowley Ocean Conservation Fund	\$ 152,485	\$ 66,520
Conservation	118,487	178,085
Community science and monitoring	72,039	148,920
Kelp restoration	69,924	49,081
Sanctuary Support	29,545	27,322
Education and outreach	<u>17,627</u>	<u>19,044</u>
	<u>\$ 460,107</u>	<u>\$ 488,972</u>

Net assets with donor restrictions released from restriction during the year were as follows:

	<u>2025</u>	<u>2024</u>
James Crowley Ocean Conservation Fund	\$ 22,938	\$ 15,380
Conservation	74,272	67,605
Community science and monitoring	258,786	297,252
Kelp restoration	34,856	18,844
Sanctuary support	14,978	19,743
Education and outreach	13,152	10,974
Capacity building	<u>21,000</u>	<u>5,290</u>
	<u>\$ 439,982</u>	<u>\$ 435,088</u>

8. IN-KIND CONTRIBUTIONS

GFA received the following in-kind contributions of services and free use of facilities which have been reflected in the financial statements:

	<u>2025</u>	<u>2024</u>
Professional services	\$ 631,988	\$ 502,841
ONMS contributed use of office space and vehicles	<u>138,921</u>	<u>147,426</u>
	<u>\$ 770,909</u>	<u>\$ 650,267</u>

Greater Farallones Association
Notes to Financial Statements
March 31, 2025
(With Comparative Totals for 2024)

9. CONCENTRATIONS

Two donors comprised approximately 32% of total contributions and grants revenue for the year ended March 31, 2025. Grant revenue earned under three grant agreements comprised approximately 67% of total government grant revenue for the year ended March 31, 2025. Two donors comprised approximately 31% of total contributions and grants revenue for the year ended March 31, 2024.

10. RETIREMENT PLAN

GFA provides its eligible employees access to a custodial (non-ERISA) 403(b) retirement plan that employees may use to deposit deferred salary pre-tax contributions. Eligible employees may defer up to 100% of their eligible salary to the 403(b) plan, subject to limits imposed under the IRC.

11. SUBSEQUENT EVENTS

GFA has evaluated subsequent events through September 15, 2025, which is the date the financial statements were available to be issued. No subsequent events have occurred, other than that described below, that would have a material impact on the presentation of GFA's financial statements.

On April 3, 2025, GFA entered into a \$150,000 line of credit agreement with Beneficial State Bank. Borrowings on the line of credit bear interest at a rate equal to the prime rate as published by the Wall Street Journal plus 2.0% per annum and the line of credit matures on April 3, 2032. The line of credit is secured by substantially all of GFA's assets.

SINGLE AUDIT REPORTS AND SCHEDULES

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*

To the Board of Directors
Greater Farallones Association

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Greater Farallones Association ("GFA"), which comprise the statement of financial position as of March 31, 2025, 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 September 15, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered GFA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GFA's internal control. Accordingly, we do not express an opinion on the effectiveness of GFA'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 GFA'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 GFA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GFA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Armanino LLP". The script is cursive and fluid, with the letters "A", "L", and "P" being particularly prominent.

San Francisco, California

September 15, 2025



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

To the Board of Directors
Greater Farallones Association

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Greater Farallones Association ("GFA")'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 GFA's major federal programs for the year ended March 31, 2025. GFA'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, GFA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2025.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 GFA 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 GFA'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 GFA'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 GFA'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 generally accepted auditing standards, *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 GFA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 GFA'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 GFA'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 GFA'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 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 weakness 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.

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

San Francisco, California

September 15, 2025

Greater Farallones Association
Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
<u>Expenditures of Federal Awards</u>				
U.S. Department of Commerce				
Congressionally Identified Awards And Projects				
Direct awards				
Restoring Kelp Forest Habitat in Greater Farallones				
National Marine Sanctuary	11.469		\$ 282,465	\$ -
Total Congressionally Identified Awards And Projects			<u>282,465</u>	<u>-</u>
Marine Sanctuary Program				
Direct awards				
Memorandum of Agreement 2023-2028	11.429		830,761	-
Total Marine Sanctuary Program			<u>830,761</u>	<u>-</u>
Habitat Conservation				
Direct awards				
NOAA Office of Habitat Conservation	11.463		1,218,651	-
Pass-through program from:				
National Fish and Wildlife Foundation	11.463	3002.15.051026	22,722	-
The Nature Conservancy	11.463	12012024-17732	2,116	-
			<u>24,838</u>	<u>-</u>
Total Habitat Conservation			<u>1,243,489</u>	<u>-</u>
Fisheries Disaster Relief				
Pass-through program from:				
Pacific States Marine Fisheries Commission	11.477	22-168G	10,983	-
Total Fisheries Disaster Relief			<u>10,983</u>	<u>-</u>
Center for Sponsored Coastal Ocean Research-Coastal Ocean Program				
Direct awards				
NCCOS Effects of Sea Level Rise (ESLR) Grant	11.478		236,619	-
Total Center for Sponsored Coastal Ocean Research-Coastal Ocean Program			<u>236,619</u>	<u>-</u>
Coastal Services Center				
Pass-through program from:				
National Fish and Wildlife Foundation	11.473	NA22NOS47302 08	428,681	-
Total Coastal Services Center			<u>428,681</u>	<u>-</u>
National Oceanic and Atmospheric Administration				
Environmental Literacy for a Blue Planet				
Pass-through program from:				
North American Association for Environmental Education: 21st Century Community Learning Centers		NA23SEC00800		
Watershed STEM Education Partnership Grants	11.008	12	9,701	-

The accompanying notes to the Schedule of Expenditures of Federal Awards
are an integral part of this schedule.

Greater Farallones Association
Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2025

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
Total National Oceanic and Atmospheric Administration Environmental Literacy for a Blue Planet			<u>9,701</u>	<u>-</u>
Total U.S. Department of Commerce			<u>3,042,699</u>	<u>-</u>
Marine Mammal Commission				
Direct awards				
Advancing Ship Strike and Blue Carbon Management Strategies for the Protection of Whales	None		<u>1,916</u>	<u>-</u>
Total Marine Mammal Commission			<u>1,916</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 3,044,615</u>	<u>\$ -</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards
are an integral part of this schedule.

Greater Farallones Association
Notes to Schedule of Expenditures of Federal Awards
March 31, 2025

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Greater Farallones Association ("GFA") under programs of the federal government for the year ended March 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of GFA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of GFA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Pass-through entity identifying numbers are presented where available and applicable.

3. INDIRECT COST RATE

GFA has not elected to use the de minimis indirect cost rate as allowed under 2 CFR §200.414(f). Instead, GFA has a negotiated indirect cost rate agreement ("NICRA") with the United States Department of the Interior, Interior Business Center, which is currently set at 17.64% and is applied to modified total direct costs. This rate was effective as of April 1, 2023 and remained in effect through March 31, 2025.

Greater Farallones Association
Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are 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 2 CFR 200.516(a)?	No
Identification of major programs:	
<u>Name of Federal Program or Cluster</u>	<u>AL Number</u>
Congressionally Identified Awards And Projects	11.463
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

Greater Farallones Association
Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2025

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

Greater Farallones Association
Summary Schedule of Prior Audit Findings
For the Year Ended March 31, 2025

There were no prior year findings.