SAN FRANCISCO ESTUARY INSTITUTE

FINANCIAL STATEMENTS, SINGLE AUDIT REPORT AND SUPPLEMENTARY SCHEDULES

JUNE 30, 2025 AND 2024

SAN FRANCISCO ESTUARY INSTITUTE

TABLE OF CONTENTS

Aprio

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
San Francisco Estuary Institute

Opinion

We have audited the accompanying financial statements of San Francisco Estuary Institute (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 San Francisco Estuary Institute as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 San Francisco Estuary Institute and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the 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 San Francisco Estuary Institute’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 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 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 San Francisco Estuary Institute'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 San Francisco Estuary Institute'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 audits were 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* 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The accompanying Schedule of Assets, Liabilities, and Net Assets - Regional Monitoring Program shown on page 23 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.

The accompanying Schedule of Financial Position - Regional Monitoring Program and Schedule of Activities - Regional Monitoring Program is shown on pages 24 - 25, which is the responsibility of management, are presented for purposes of additional analysis and is not a required part of the financial statements, Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 29, 2026, on our consideration of San Francisco Estuary Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 San Francisco Estuary Institute'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 San Francisco Estuary Institute's internal control over financial reporting and compliance.

Aprio, LLP

Walnut Creek, California

April 29, 2026

SAN FRANCISCO ESTUARY INSTITUTE
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

ASSETS

	2025	2024
Current assets:		
Cash	$ 1,244,931	$ 826,351
Grants receivable	3,541,845	3,264,782
Prepaid expenses	53,081	57,890
Total current assets	4,839,857	4,149,023
Property and equipment, net	42,588	9,044
Other assets:		
Investments	12,538,675	10,539,450
Deposit	18,000	18,000
Right-of-use assets - leases	749,342	1,087,759
Total other assets	13,306,017	11,645,209
Total assets	$ 18,188,462	$ 15,803,276

LIABILITIES AND NET ASSETS

	2025	2024
Current liabilities:		
Accounts payable	$ 1,226,909	$ 959,685
Accrued expenses	700	700
Accrued payroll	1,125,224	979,980
Deferred grant revenue	8,869,053	7,225,499
Right-of-use liability, current portion	286,708	296,994
Total current liabilities	11,508,594	9,462,858
Long-term liabilities:		
Right-of-use liability, net of current portion	282,991	518,850
Total long-term liabilities	282,991	518,850
Total liabilities	11,791,585	9,981,708
Net assets:		
Without donor restrictions		
Undesignated	5,873,527	5,188,281
Board designated	500,000	500,000
With donor restrictions	23,350	133,287
Total net assets	6,396,877	5,821,568
Total liabilities and net assets	$ 18,188,462	$ 15,803,276

See independent auditors' report and accompanying notes

SAN FRANCISCO ESTUARY INSTITUTE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Government grant revenue	$ 19,378,788	$ -	$19,378,788
Contributions	122,730	11,658	134,388
Tenant rent	7,700	-	7,700
Facilities income	1,037	-	1,037
Investment return, net	157,718	-	157,718
Other income	6,401	-	6,401
Net assets released from restrictions	121,595	(121,595)	-
Total revenue and other support	19,795,969	(109,937)	19,686,032
Expenses:			
Program services	15,687,567	-	15,687,567
Management and general	3,423,156	-	3,423,156
Fundraising	-	-	-
Total expenses	19,110,723	-	19,110,723
Change in net assets	685,246	(109,937)	575,309
Net assets at beginning of year	5,688,281	133,287	5,821,568
Net assets at end of year	$ 6,373,527	$ 23,350	$ 6,396,877

See independent auditors' report and accompanying notes

SAN FRANCISCO ESTUARY INSTITUTE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Government grant revenue	$15,192,290	$ -	$15,192,290
Contributions	107,238	119,751	226,989
Tenant rent	9,800	-	9,800
Facilities income	4,108	-	4,108
Investment return, net	165,189	-	165,189
Other income	23,623	-	23,623
Loss on disposal of assets	(6,790)	-	(6,790)
Net assets released from restrictions	191,575	(191,575)	-
Total revenues and other support	15,687,033	(71,824)	15,615,209
Expenses:			
Program services	14,085,690	-	14,085,690
Management and general	1,373,406	-	1,373,406
Fundraising	-	-	-
Total expenses	15,459,096	-	15,459,096
Change in net assets	227,937	(71,824)	156,113
Net assets at beginning of year	5,460,344	205,111	5,665,455
Net assets at end of year	$ 5,688,281	$ 133,287	$ 5,821,568

See independent auditors' report and accompanying notes

SAN FRANCISCO ESTUARY INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services						Supporting Activities		
	Clean Water	Regional Monitoring	Environmental Informatics	Resilient Landscape	Aquatic Science	Total Program Services	Management and General	Fundraising	Total
Personnel costs:									
Salaries and wages	$ 2,168,280	$1,127,954	$ 1,346,336	$ 2,233,198	$ 621,460	$ 7,497,228	$ 2,125,765	$ -	$ 9,622,993
Employee benefits	406,852	212,171	179,636	420,073	116,899	1,335,631	4,559	-	1,340,190
Payroll taxes	219,446	114,441	96,892	226,578	63,053	720,410	2,459	-	722,869
Total personnel costs	2,794,578	1,454,566	1,622,864	2,879,849	801,412	9,553,269	2,132,783	-	11,686,052
Non-personnel costs:									
Contract labor	2,622,610	1,391,702	366,137	755,973	134,169	5,270,591	-	-	5,270,591
Professional fees	7,602	30,640	25,000	42,554	4,000	109,796	330,712	-	440,508
Rent	-	-	-	-	-	-	412,667	-	412,667
Supplies	257,755	102,244	361	1,016	1,352	362,728	36,967	-	399,695
Information technology	65,635	5,166	60,618	108	216	131,743	20,638	-	152,381
Insurance	-	-	-	-	-	-	140,729	-	140,729
Licenses and fees	-	269	-	-	-	269	125,187	-	125,456
Telephone and internet	2,111	1,051	53,423	-	-	56,585	50,290	-	106,875
Travel	14,872	19,499	2,433	30,289	5,171	72,264	7,633	-	79,897
Conferences and trainings	18,123	25,589	950	4,631	725	50,018	23,470	-	73,488
Office expenses	1,760	-	338	2,105	-	4,203	55,601	-	59,804
Miscellaneous expenses	34,117	105	10	480	-	34,712	8,516	-	43,228
Printing and publications	6,332	11,141	324	6,006	39	23,842	13,103	-	36,945
Lease expenses	-	-	-	-	-	-	35,643	-	35,643
Postage	2,322	14,152	-	355	-	16,829	1,940	-	18,769
Depreciation	-	-	-	-	-	-	10,320	-	10,320
Repairs and maintenance	-	-	-	-	-	-	8,929	-	8,929
Dues and memberships	100	-	-	618	-	718	4,217	-	4,935
Property taxes	-	-	-	-	-	-	3,365	-	3,365
Uncollected losses	-	-	-	-	-	-	446	-	446
Total non-personnel costs	3,033,339	1,601,558	509,594	844,135	145,672	6,134,298	1,290,373	-	7,424,671
Total expenses	$ 5,827,917	$3,056,124	$ 2,132,458	$ 3,723,984	$ 947,084	$ 15,687,567	$ 3,423,156	$ -	$ 19,110,723

See independent auditors' report and accompanying notes

SAN FRANCISCO ESTUARY INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services						Supporting Activities		
	Clean Water	Regional Monitoring	Environmental Informatics	Resilient Landscape	Aquatic Science	Total Program Services	Management and General	Fundraising	Total
Personnel costs:									
Salaries and wages	$ 1,398,711	$1,467,997	$ 1,645,866	$ 1,716,469	$ 926,215	$ 7,155,258	$ 608,107	$ -	$ 7,763,365
Employee benefits	189,684	199,080	223,201	232,776	125,607	970,348	82,466	-	1,052,814
Payroll taxes	104,363	109,533	122,804	128,072	69,108	533,880	45,373	-	579,253
Total personnel costs	1,692,758	1,776,610	1,991,871	2,077,317	1,120,930	8,659,486	735,946	-	9,395,432
Non-personnel costs:									
Contract labor	1,839,851	1,149,399	83,197	428,861	501,008	4,002,316	-	-	4,002,316
Professional fees	65,231	31,000	500	13,737	18,999	129,467	390,746	-	520,213
Supplies	181,498	89,152	17,924	32,283	8,143	329,000	20,583	-	349,583
Rent	59,446	62,390	69,950	72,950	39,364	304,100	25,845	-	329,945
Insurance	25,272	26,524	29,737	31,013	16,735	129,281	10,987	-	140,268
Telephone and internet	9,132	9,021	68,974	10,509	6,360	103,996	4,449	-	108,445
Licenses and fees	18,195	21,638	21,411	22,329	12,408	95,981	2,308	-	98,289
Conferences and trainings	13,620	31,326	992	2,744	4,348	53,030	41,988	-	95,018
Information technology	12,080	247	54,633	1,281	379	68,620	18,786	-	87,406
Uncollected losses	-	-	-	-	-	-	80,602	-	80,602
Travel	12,093	9,402	74	28,782	2,886	53,237	5,297	-	58,534
Office expenses	9,363	6,731	8,142	8,817	8,164	41,217	-	-	41,217
Lease expenses	6,699	7,031	7,883	8,221	4,436	34,270	2,912	-	37,182
Miscellaneous expenses	3,849	455	190	578	107	5,179	26,254	-	31,433
Printing and publications	2,543	6,309	3,062	9,208	2,648	23,770	-	-	23,770
Repairs and maintenance	4,076	4,458	4,796	5,002	2,699	21,031	-	-	21,031
Postage	977	10,487	172	5,550	152	17,338	-	-	17,338
Depreciation	1,647	1,729	1,938	2,022	1,091	8,427	716	-	9,143
Dues and memberships	424	-	300	1,499	-	2,223	5,671	-	7,894
Property taxes	727	763	856	893	482	3,721	316	-	4,037
Total non-personnel costs	2,266,723	1,468,062	374,731	686,279	630,409	5,426,204	637,460	-	6,063,664
Total expenses	$ 3,959,481	$3,244,672	$ 2,366,602	$ 2,763,596	$1,751,339	$ 14,085,690	$ 1,373,406	$ -	$ 15,459,096

See independent auditors' report and accompanying notes

SAN FRANCISCO ESTUARY INSTITUTE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2025	2024
Cash flows from operating activities		
Change in net assets	$ 575,309	$ 156,113
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	10,320	9,143
Unrealized gain on investments	(91,692)	(24,162)
Loss on disposal of assets	-	6,790
Right of use assets - leases	338,417	341,475
(Increase) decrease in assets:		
Grants receivable	(277,063)	1,444,180
Pledges receivable	-	13,723
Prepaid expenses	4,809	100,479
Increase (decrease) in operating liabilities:		
Accounts payable	267,224	233,616
Accrued expenses	-	(66,411)
Accrued payroll	145,244	85,764
Deferred grant revenue	1,643,554	(2,624,984)
Right of use liability	(246,145)	(487,258)
Net cash provided by (used in) operating activities	2,369,977	(811,532)
Cash flows from investing activities		
Purchases of investments	(5,007,533)	(4,450,818)
Proceeds from sale of investments	3,100,000	5,650,000
Purchases of property and equipment	(43,864)	-
Net cash provided by (used in) investing activities	(1,951,397)	1,199,182
Increase in cash during the year	418,580	387,650
Cash, beginning of year	826,351	438,701
Cash, end of year	$ 1,244,931	$ 826,351

See independent auditors' report and accompanying notes

Note 1
Nature of Organization

San Francisco Estuary Institute ("SFEI" or the "Organization") is a not-for-profit corporation located in Richmond, California, organized in 1983 pursuant to the general nonprofit corporation laws of the State of California. The Organization's primary objective and purpose is to describe the health of the Estuary in scientifically objective terms and to provide the scientific understanding needed to manage the complex and biologically rich San Francisco Bay-Delta Estuary. The Organization accomplishes its purpose through the implementation of a coordinated and cooperative monitoring, research, data management and education program designed to produce information that addresses management needs, guides decision-makers, and educates and informs the public.

Program services include the following:

- Clean Water (CW) - The CW program is a water quality science program supporting aquatic resource protection. CW anticipates and meets the water quality information needs of managers and the public. The Regional Monitoring Program for Water Quality in San Francisco Bay is the flagship of the CW program.

- Regional Monitoring (RMP) - The RMP is a subset of the CW program. Chemical contamination in the San Francisco Bay is governed by the San Francisco Bay Regional Water Quality Control Board (the Water Board). The Water Board has a framework for managing contamination in the Bay contained in the Water Quality Control Plan (Plan). The Plan classifies the valued attributes of the Bay as "beneficial uses" and establishes water quality objectives that are protective of these beneficial uses. The RMP is an innovative collaborative effort between the Organization, the Water Board, and the regulated discharges community. This program for contaminants of concern in the San Francisco Estuary is the primary source of information and is used to evaluate beneficial use impairment in the Bay due to chemical contamination.

- Environmental Informatics (EI) - EI works with both internal and external collaborators. The program is a union of multiple disciplines, organized to promote data management, visualization, analysis, and software development in support of ongoing and emerging needs. Environmental Informatics' staff guide statewide technology efforts aimed to promote data transparency and exchange. They enjoy a strong track record of success and salience in a highly competitive technology environment. By augmenting the capacity of key public partners, the team credibly translates authoritative aquatic ecosystem data into dynamic, visually stimulating information to guide and evaluate environmental planning, management, and regulatory decisions.

- Resilient Landscapes (RL) - RL develops ecosystem restoration and landscape management strategies that sustain key ecological services. The Organization evaluates management alternatives using innovative visualization and design.

Note 1
Nature of Organization (Continued)

- Aquatic Science (AS) - The AS program was formed to assist with efficient delivery of financial, scientific, monitoring and information management support for governmental and non-governmental organizations with roles in the water quality protection, policy development and assessment. It's designed to integrate, evaluate, manage, and report data and information about the conditions of water and aquatic ecosystems in order to provide public agencies with scientific support to plan and manage aquatic ecosystems.

Note 2
Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements and records of the Organization are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles in the United States of America (GAAP).

Financial Statement Presentation:

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

- *Net Assets Without Donor Restrictions*: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

- *Net Assets With Donor Restrictions*: Net assets subject to stipulations imposed by donors and grantors. Some donor-imposed restrictions may be temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Use of Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents:

The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Note 2
Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits:

The Organization maintains cash balances at one commercial bank, these balances can exceed the FDIC insured deposit limit of $250,000 per financial institution. At June 30, 2025 and 2024, the Organization's cash balances held at the commercial bank exceeded the FDIC limit by approximately $995,031 and $630,320, respectively. The Organization has not experienced any losses through the date when the financial statements were available to be issued.

Concentrations of Credit Risk:

Revenue from grants under the Regional Monitoring Program (RMP) represent 21% and 27% of total revenue, totaling $4,212,051 and $4,167,032 for the years ended June 30, 2025 and 2024, respectively. Grants receivables related to the RMP represents 34% and 42% of total grants receivables, totaling $1,794,344 and $2,340,924 at June 30, 2025 and 2024, respectively.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of investments. Investments are held at brokerage firms in amounts which may exceed the guaranteed amount of the Securities Investor Protection Corporation. The Organization has not experienced any losses in such accounts.

Grants Receivable:

Grants receivable include various third-party payment arrangements that are stated at the amount management expects to collect for services performed. The Organization monitors receivable balances and records an allowance for future expected credit losses when a receivable is determined to be uncollectible. All grant receivables are expected to be collected within one year subsequent to June 30, 2025.

Revenue Recognition:

Government grant revenue:

The Organization receives various cost reimbursement grant agreements. The Organization recognizes grant revenue as expenses are incurred. A receivable is recognized to the extent that expenses are incurred but revenue is yet to be collected. Amounts received in advance or in excess of expenses are reflected as deferred grant revenue. The grantor may at their discretion request reimbursement for expenses or return of funds, or both by the Organization as a result of noncompliance with the terms of the grant.

Note 2
Summary of Significant Accounting Policies (Continued)

Contributions:

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give are received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Unconditional contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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 statement of activities as net assets released from restrictions.

Conditional contributions and grant revenue:

Conditional contributions and grant revenue are not included as support revenue until the conditions are substantially met.

Tenant rent and facilities income:

Tenant rent and facilities income are recognized pro rata over the rental period. Income received in advance is deferred until earned.

Contributed Property and Equipment:

Contributed property and equipment are recorded at fair value at the date of donation. Such donations are reported as contributions without donor restrictions unless the donors has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated Services:

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

Additionally, volunteers donate a significant amount of time to the Organization’s program services. The fair value of these donated services are not recognized in the statement of activities since they do not meet the criteria for recognition under GAAP.

Note 2
Summary of Significant Accounting Policies (Continued)

Investments:

Investments are recorded at cost, if purchased, or at fair value on the date of donation, if donated. Investments are stated at fair value. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the statements of activities as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

The Organization participates in the Local Agency Investment Fund (LAIF) which is part of the Pooled Money Investment Account (PMIA) managed by the State Treasurer's Office. Funds placed with the State Treasurer for deposit in the LAIF are pooled with over 2,700 other participants and invested in a variety of securities including U.S. government securities, corporate bonds, time deposits, certificates of deposits and other similar instruments. Interest income is allocated quarterly to the individual participants based on the relationship of the market value of each participant to total market value of the fund, as adjusted for additions to or deductions from each participating account. The Organization's investment in LAIF is not evidenced by securities that exist in physical or book-entry form and does not represent a direct ownership interest in specific underlying investments. Instead, LAIF operates as a pooled investment fund in which the Organization's funds are commingled with those of other participants.

The LAIF investment is classified as an investment rather than a cash equivalent due to the nature of the underlying investments, many of which have original maturities exceeding three months. Although the fund allows for daily withdrawals with notice, it is primarily held for investment purposes and capital preservation.

The Organization's investment in LAIF is recorded at amortized cost, which approximates fair value.

Fair Value Measurements:

The Organization applies FASB ASC 820, *Fair Value Measurements* (ASC 820), which establishes a framework for measuring fair value and expands disclosure requirements about fair value measurements. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Note 2
Summary of Significant Accounting Policies (Continued)

The three general valuation techniques that may be used to measure fair value are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted market prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Property and Equipment:

Property and equipment is recorded at cost if purchased and at fair market value on the date of donation, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets for periods of 5 to 6 years. The Organization capitalizes individual assets with cost of $5,000 or greater.

Leases:

Operating lease right-of-use assets (ROU) and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. ROU assets also include adjustments related to lease payments made and lease incentives received at or before the commencement date. The ROU assets resulting from operating leases are disclosed as right-of-use assets – leases and the related liabilities are included in lease liability – operating in the statements of financial position. At lease commencement, lease liabilities are recognized based on the present value of the remaining lease payments and discounted using the risk-free rate. Operating lease cost is recognized on a straight-line basis over the lease term as rent in the accompanying statement of functional expenses. Lease and non-lease components of office lease agreements are accounted as a single component. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The Organization determines if an arrangement is a lease at inception. All leases are recorded on the statement of financial position except for leases with an initial term less than 12 months for which the Organization made the short-term lease election.

Note 2
Summary of Significant Accounting Policies (Continued)

Functional Expense Allocation:

The costs of providing the Organization's various programs and other activities have been presented in the statement of functional expenses. Accordingly, certain costs have been allocated among programs and supporting activities benefited by a method that best measures the relative degree of benefit. The Organization charges direct expenses to program services and allocates indirect costs based on the ratio of direct salaries as supported by employee time activity reports.

Tax Exempt Status:

The Organization is a nonprofit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal income taxes is required. The Organization applies the guidance on accounting for uncertain tax provisions in FASB ASC 740 Income Taxes. The Organization is no longer subject to income tax examinations for tax years up to and including 2022.

Note 3
Liquidity and Availability of Resources

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following as of June 30,:

	2025	2024
Financial assets available for general expenditure within one year:		
Cash and cash equivalents	$ 1,244,931	$ 826,351
Grants receivable	3,541,845	3,264,782
Total financial assets	4,786,776	4,091,133
Less: donor-imposed restrictions	(23,350)	(133,287)
Less: board-designations	(500,000)	(500,000)
Total financial assets available for general expenditure within one year	$ 4,263,426	$ 3,457,846

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments. In addition to financial assets available for general expenditure within one year, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Because the donor restrictions require resources to be used in a particular manner or in future periods, the Organization maintains sufficient resources to meet the responsibility to its donors. Thus, financial assets as they relate to donor restrictions may not be available for general expenditure within one year. Additionally, the Organization holds certain investments for long-term purposes. Although these investments could be liquidated if needed, management does not intend to do so within one year and, accordingly, they are not considered available to meet general expenditures.

Note 4
Fair Value Measurements

Fair values of assets measured on a recurring basis at:

	Assets at Fair Value as of June 30, 2025			
	Level 1	Level 2	Level 3	Total Fair Value
Investments measured at fair value:				
Money market account	$ 651,000	$ -	$ -	$ 651,000
Short-term fixed income securities	2,084,598	-	-	2,084,598
Total investments measured at fair value	2,735,598	-	-	2,735,598
LAIF pooled money investment account				9,803,077
Total investments	$ 2,735,598	$ -	$ -	$ 12,538,675

	Assets at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total Fair Value
Investments measured at fair value:				
Money market account	$ 871,982	$ -	$ -	$ 871,982
Short-term fixed income securities	1,743,449	-	-	1,743,449
Total investments measured at fair value	2,615,431	-	-	2,615,431
LAIF pooled money investment account				7,924,019
Total investments	$ 2,615,431	$ -	$ -	$ 10,539,450

Investment return consisted of the following for the years ended June 30,:

	2025	2024
Interest and dividends	$ 66,026	$ 141,027
Unrealized gains	91,692	24,162
	$ 157,718	$ 165,189

Note 5
Property and Equipment

The following is a summary of property and equipment at cost at June 30,:

	2025	2024
Furniture and fixtures	$ 143,360	$ 153,860
Equipment	27,340	5,644
Software	22,168	-
Total assets	192,868	159,504
Less: accumulated depreciation	(150,280)	(150,460)
Property and equipment, net	$ 42,588	$ 9,044

Depreciation expense for the years ended June 30, 2025 and 2024, totaled $10,320 and $9,143, respectively.

Note 6
Outstanding Conditional Government Grants

Conditional grants are recognized as revenue as the Organization incurs qualifying expenditures in compliance with rules and regulations established by the grantor. Expenditures in accordance with the grant terms result in a release of conditions imposed by the grantor and the revenue is recognized. Grants are paid on a cost-reimbursement basis. Some grants are multi-year and may have budgets that must be used annually. Any unused funds associated with these grants that are not used annually are forfeited. If any expenditures are unallowed for a grant, the Organization is required to refund the amounts drawn down. Grant activities and outlays are subject to audit and acceptance by the granting agency.

Conditional grants revenue outstanding consists of the following at June 30,:

	2025	2024
Environmental Informatics	$ 2,211,473	$ 2,226,672
Clean Water	29,605,935	18,155,954
Resilient Landscapes	16,160,100	12,259,322
	$ 47,977,508	$ 32,641,948

Note 7
Deferred Grant Revenue

The Organization administers the activities of the Regional Monitoring Program (RMP) with the oversight of representatives of its contributing agencies and their regulator, the San Francisco Bay Regional Water Board. Contributing agency fees are assessed and collected each year and designated for various projects by the RMP Steering and Technical Review Committees. Income from agency fees is deferred and recognized as revenue over the periods when the various RMP projects are performed. The deferred grant revenue received in advance of services is placed into investments with the LAIF and investment interest is required to be used for the same services required by the RMP pursuant to a memorandum of understanding between the Organization and the Regional Board. In accordance with this memorandum of understanding, the RMP portion of interest will be use for RMP activities. Any unused funding and interest will be returned to the grantor. Deferred grant revenue related to various multi year projects with RMP totaled $6,313,054 and $5,626,288 at June 30, 2025 and 2024, respectively.

Deferred grant revenue consisted of the following as of June 30,:

	2025	2024
RMP deferred grant revenue	$ 6,313,054	$ 5,626,288
Other SFEI related deferred grant revenue	2,555,998	1,599,211
Total deferred grant revenue	$ 8,869,053	$ 7,225,499

Note 8
Board Designated Net Assets

During the year ended June 30, 2016, the board established a reserve fund to build and maintain an adequate level of reserve to support the Organization's day-to-day operations in the event of unforeseen shortfalls. The reserve fund may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure after receiving board approval for use of the funds. The board designated reserve fund was $500,000 as of June 30, 2025 and 2024.

Note 9
Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of June 30, 2025:

	Beginning Balance	Contributions	Released from Restrictions	Ending Balance
Purpose restricted:				
Clean Water	$ 25,536	$ 10,200	$ (13,844)	$ 21,892
Resilient Landscapes	107,751	1,458	(107,751)	1,458
	$ 133,287	$ 11,658	$ (121,595)	$ 23,350

Note 9
Net Assets With Donor Restrictions (Continued)

Net assets with donor restrictions consist of the following as of June 30, 2024:

	Beginning Balance	Contributions	Released from Restrictions	Ending Balance
Purpose restricted:				
Clean Water	$ 32,863	$ 12,000	$ (19,327)	$ 25,536
Resilient Landscapes	169,247	107,751	(169,247)	107,751
Environmental Informatics	3,001	-	(3,001)	-
	$ 205,111	$ 119,751	$ (191,575)	$ 133,287

Note 10
Lease Commitments

The Organization has obligations as a lessee for office space, office and other equipment, and vehicles. All leases are classified as operating leases. Payments due under the lease contracts include mainly fixed payments. ASC 842 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less). There were no short-term leases as of June 30, 2025. The Organization had short-term lease expenses of $18,245 as of June 30, 2024.

The components of the leases are as follows for the years ending June 30,:

	2025	2024
Operating lease cost	$ 405,143	$ 396,316
Cash paid for amounts included in the measurement of lease liabilities - operating lease	$ 299,536	$ 522,421
Lease liabilities arising from obtaining right-of-use assets	$ 19,687	$ 17,508
Weighted-average remaining lease term - operating lease	1.84 years	2.87 years
Weighted-average discount rate - operating lease	5.04 %	5.01 %

Maturities of the lease liability under the noncancelable operating leases as of June 30, 2025, are as follows:

Years Ending June 30	Total Lease Payment
2026	$ 307,618
2027	285,037
2028	4,180
Total undiscounted lease payments	596,835
Less: imputed interest	(27,136)
Total lease liability	$ 569,699

Note 11
Pension Plan

The Organization has a 403(b) deferred tax plan available to all full time equivalent employees upon hire. The Organization provides a match contribution of up to 5% of the employee's compensation. Employer contributions under this plan for the years ended June 30, 2025 and 2024 totaled $468,638 and $377,006, respectively.

Note 12
Related Party Transactions

The Aquatic Science Center (ASC), a Joint Powers Authority for which the Organization is its administrator, shares common board membership. Activity with ASC are as follows for the years ending June 30,:

	2025	2024
Total revenue from ASC	$ 3,112,397	$ 2,673,627
Accounts receivable from ASC	$ 997,043	$ 966,692
Due to ASC:	$ (16,477)	$ (11,672)
Due to ASC consisted of the following:		
Cash	$ 1,000	$ 1,000
Investments	$ 1,173	$ 1,176
Deferred revenue held by SFEI on ASC contracts	$ (18,650)	$ (13,848)

Note 13
Contingencies

In the normal course of business, there are outstanding various commitments and contingent liabilities, such as commitments to enter into and/or renew contracts related to ongoing operations, which are not reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) contractual restrictions and donor conditions which obligate the Organization to fulfill certain requirements as set forth in legal instruments, (b) funding levels which vary based on factors beyond the Organization's control, such as general economic conditions, (c) employment and service agreements with key management personnel, and (d) financial risks associated with funds deposited in accounts at financial institutions. Management believes that such commitments or contingencies have been properly addressed, appropriate amounts have been accrued (where necessary), and there will not be any resolution with a material adverse effect on the financial statements. Certain of the grants and contracts are subject to audit and final acceptance by the granting agency.

Note 14
Subsequent Events

Management considered all events through April 29, 2026, the date the financial statements were available for release, in preparing the financial statements and the related disclosures. The Organization is not aware of any other significant events that occurred subsequent to June 30, 2025, but prior to the issuance of this report, that would have a material impact on the financial statements.

SUPPLEMENTARY INFORMATION

SAN FRANCISCO ESTUARY INSTITUTE
SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS
WITH REGIONAL MONITORING PROGRAM
JUNE 30, 2025

ASSETS

	San Francisco Estuary Institute	Regional Monitoring Program	Total
Current assets:			
Cash	$ 979,348	$ 265,583	$ 1,244,931
Grants receivable	3,541,845	-	3,541,845
Prepaid expenses	53,081	-	53,081
Total current assets	4,574,274	265,583	4,839,857
Property and equipment, net	42,588	-	42,588
Other assets:			
Investments	6,291,062	6,247,613	12,538,675
Deposit	18,000	-	18,000
Right-of-use assets - leases	749,342	-	749,342
Total other assets	7,058,404	6,247,613	13,306,017
Total assets	$ 11,675,266	$ 6,513,196	$ 18,188,462

LIABILITIES AND NET ASSETS

	San Francisco Estuary Institute	Regional Monitoring Program	Total
Current liabilities:			
Accounts payable	$ 1,026,767	$ 200,142	$ 1,226,909
Accrued expenses	700	-	700
Accrued payroll	1,125,224	-	1,125,224
Deferred grant revenue	2,555,998	6,313,054	8,869,053
Right-of-use liability, current portion	286,708	-	286,708
Total current liabilities	4,995,397	6,513,196	11,508,594
Long-term liabilities:			
Right-of-use liability, net of current portion	282,991	-	282,991
Total long-term liabilities	282,991	-	282,991
Total liabilities	5,278,388	6,513,196	11,791,585
Net assets			
Without donor restrictions			
Undesignated	5,873,527	-	5,873,527
Board designated	500,000	-	500,000
With donor restrictions	23,350	-	23,350
Total net assets	6,396,877	-	6,396,877
Total liabilities and net assets	$ 11,675,265	$ 6,513,196	$ 18,188,462

SAN FRANCISCO ESTUARY INSTITUTE
SCHEDULE OF FINANCIAL POSITION - REGIONAL MONITORING PROGRAM
DECEMBER 31, 2024 - UNAUDITED

ASSETS

Current assets:	
Cash	$ 243,691
Total current assets	243,691
Other Assets:	
Investments	5,338,168
Total other assets	5,338,168
Total assets	$ 5,581,859

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	$ 8,982
Deferred grant revenue	5,572,877
Total liabilities	5,581,859
Net assets	
Without donor restrictions	-
Total net assets	-
Total liabilities and net assets	$ 5,581,859

SAN FRANCISCO ESTUARY INSTITUTE
SCHEDULE OF ACTIVITIES - REGIONAL MONITORING PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2024 - UNAUDITED

Revenue and other support:	
Government contract revenue	$ 4,145,973
Total revenue and other support	4,145,973
Expenses	
Indirect cost allocation	1,871,061
Contract labor	1,149,399
Salaries and wages	959,158
Supplies	77,342
Professional fees	31,000
Conferences and trainings	31,283
Printing and publications	3,641
Postage	10,334
Travel	9,362
Office expenses	300
Licenses and fees	2,542
Information technology	43
Repairs and maintenance	180
Miscellaneous	285
Telephone and internet	43
Total expenses	4,145,973
Change in net assets	$ -

See independent auditors' report and accompanying notes

SAN FRANCISCO ESTUARY INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-through entity identifying number	Federal Assistance Listing Number	Total Federal Expenditures
U.S. Department of Commerce			
Passthrough the University of California, San Diego			
SEA GRANT SUPPORT: NOAA - Sea Grant Dryer Emissions	707021	11.417	$ 33,492
Direct award:			
SEA GRANT SUPPORT: Microplastics in Trash Capture Devices		11.417	111,087
Total 11.417			144,579
Passthrough the Coastal Conservancy:			
OFFICE FOR COASTAL MANAGEMENT: Reg. Adv. Living Shorelines, Phase II	23-093	11.473	94,474
Passthrough the Coastal Quest:			
OFFICE FOR COASTAL MANAGEMENT: BayCAN Technical Assistance	75699	11.473	70,756
Passthrough BluePoint Planning, LLC:			
OFFICE FOR COASTAL MANAGEMENT: Santa Clara Cty, Region. Resil. - Phase 2	107-G107NFWF	11.473	10,157
Total 11.473			175,387
Passthrough the NOAA:			
MARINE SANCTUARY PROGRAM: MERHAB Expanded HAB Monitoring	NA23NOS4780288	11.478	333,040
Total 11.478			333,040
Total U.S. Department of Commerce			653,006
U.S. Department of the Interior			
Passthrough the Reclamation District #108:			
CENTRAL VALLEY IMPROVEMENT ACT, TITLE XXXIV: Sacramento Valley Hist. Ecology Study	SFEI TO1. RD 108	15.512	40,193
CENTRAL VALLEY IMPROVEMENT ACT, TITLE XXXIV: Sacramento Valley Hist. Ecology Study - Phase 2	SFEI TO2. RD 108	15.512	93,594
Total 15.512			133,787
Passthrough the Pacific States Marine Fisheries Commission:			
FISH & AQUATIC CONSERVATION: KBMP Mtg. & Dam Removal Workshop, Ashland OR	PO # 18579	15.608	5,003
FISH & AQUATIC CONSERVATION: KBMP (Pacific States Marine Fish. Comm.)	25-084G	15.608	49,592
Total 15.608			54,595
Passthrough the U.S. Fish and Wildlife Service:			
MIGRATORY BIRD JOINT VENTURES: Tools to Track WL Habitat Net Landscape	F20AC00019	15.637	22,117
Passthrough Point Blue Conservation Science:			
MIGRATORY BIRD JOINT VENTURES: EcoAtlas Project Tracker Enhanc/Updates	9020-SF-1	15.637	503
Total 15.637			22,620
Total U.S. Department of the Interior			211,002

See notes to schedule of expenditures of federal awards

SAN FRANCISCO ESTUARY INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-through entity identifying number	Federal Assistance Listing Number	Total Federal Expenditures
U.S. Environmental Protection Agency			
Direct awards - GEOGRAPHIC PROGRAMS - SAN FRANCISCO BAY WATER QUALITY IMPROVEMENT FUND:			
GSI by and for Communities		66.126	408,327
Destination Clean Bay		66.126	694,402
BayInsight WQIF		66.126	387,620
PFAS Sources to Solutions		66.126	289,618
NMS Tracking Bay Health WQIF		66.126	1,073,295
RMP Tracking Bay Health WQIF		66.126	718,291
Baylands Change Map WQIF		66.126	108,547
Next Generation Urban Greening		66.126	405,904
Sediment Solutions (WQIF)		66.126	826,793
Healthy Watersheds & Thriving Cities		66.126	187,753
WRMP EPA		66.126	816,420
			5,916,970
Passthrough ABAG:			
GEOGRAPHIC PROGRAMS - SAN FRANCISCO BAY WATER QUALITY IMPROVEMENT FUND: SOTER 2023 Emerg. Indicators	98T20401	66.126	29,330
Passthrough All Positives Possible:			
GEOGRAPHIC PROGRAMS - SAN FRANCISCO BAY WATER QUALITY IMPROVEMENT FUND: Carquinez Strait Fish & Preservation	98T55301	66.126	142,059
Passthrough the East Bay Regional Park District:			
GEOGRAPHIC PROGRAMS - SAN FRANCISCO BAY WATER QUALITY IMPROVEMENT FUND: Coyote Hills Restor. Proj. Monitoring	154800	66.126	20,658
GEOGRAPHIC PROGRAMS - SAN FRANCISCO BAY WATER QUALITY IMPROVEMENT FUND: Wildcat Creek & Brook Road Crossing CRAM	P241989	66.126	834
			21,492
Passthrough the Fairfield-Suisun Sewer District:			
GEOGRAPHIC PROGRAMS - SAN FRANCISCO BAY WATER QUALITY IMPROVEMENT FUND: Beneficial Baylands	98T96601	66.126	116,193
Total 66.126			6,226,044
Passthrough the Nevada Division of Environmental Protection:			
WATER POLLUTION CONTROL STATE, INTERSTATE, AND TRIBAL PROGRAM SUPPORT: Nevada HAB Monitoring Software Devpmt	DEPS 24-027	66.419	24,329
Total 66.419			24,329

See notes to schedule of expenditures of federal awards

SAN FRANCISCO ESTUARY INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-through entity identifying number	Federal Assistance Listing Number	Total Federal Expenditures
Passthrough the Association of Bay Area Governments:			
NATIONAL ESTUARY PROGRAM: Website Maintenance FY25	99T59901	66.456	12,003
NATIONAL ESTUARY PROGRAM: Novato Crk. Baylands Climate Chg. Adapt.	98T45901	66.456	63,033
			75,036
Passthrough City of Alameda:			
NATIONAL ESTUARY PROGRAM: Alameda Adaptation Working Group	98T45901, program 4T	66.456	9,143
Passthrough The Bay Foundation of Morro Bay:			
NATIONAL ESTUARY PROGRAM: Morro Bay Historical Ecology Study	98T47301	66.456	94,789
Total 66.456			178,968
Passthrough ABAG:			
CLEAN WATER STATE REVOLVING FUND: SRF SOTER Platform Phase I	D2201039	66.458	349,477
CLEAN WATER STATE REVOLVING FUND: SRF SOTER Platform Phase II	D2401009	66.458	1,722
Total 66.458			351,199
Passthrough Chicken Ranch Rancheria of Me-Wuk Indians of CA:			
REGIONAL WETLAND PROGRAM DEVELOPMENT GRANTS: 2-Day WRAMP and CRAM Demonstration	PO	66.461	7,051
Passthrough ABAG:			
REGIONAL WETLAND PROGRAM DEVELOPMENT GRANTS: WRMP - Phase III (WPDG)	98T29701	66.461	83,518
Direct award - REGIONAL WETLAND PROGRAM DEVELOPMENT GRANTS:			
Statewide Wetland EcoAtlas Training Prog		66.461	15,868
R3MP Mapping		66.461	41,087
			56,955
Passthrough BCDC:			
REGIONAL WETLAND PROGRAM DEVELOPMENT GRANTS: BCDC Bay Sediment Support Svcs	SFBC-P-22-02	66.461	4,017
Total 66.461			151,541
Pass through the Habematolel Pomo of Upper Lake:			
ENVIRONMENTAL INFORMATION EXCHANGE NETWORK GRANT PROGRAM AND RELATED ASSISTANCE: Lake Cty. WQ Data Exch. Prog. - Phase 2	22-12-09-05	66.608	3,134
Total 66.608			3,134
Total U.S. Environmental Protection Agency			6,935,215
Total Expenditures of Federal Awards			$ 7,799,223

See notes to schedule of expenditures of federal awards

SAN FRANCISCO ESTUARY INSTITUTE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of San Francisco Estuary Institute under programs of the federal government for the year ended June 30, 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 San Francisco Estuary Institute, it is not intended to and does not present the financial position, changes in net assets, or cash flows of San Francisco Estuary Institute.

Note 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 are limited as to reimbursement.

Note 3: Indirect Cost Rate

San Francisco Estuary Institute has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Subrecipients

There were no awards passed through to subrecipients during the year ended June 30, 2025.

SAN FRANCISCO ESTUARY INSTITUTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

Section I-Summary of Auditors' Results

Financial Statements

Report on the Financial Statements and on the Supplementary Schedule of Federal Awards:

Opinion on audited financial statements:	Unmodified
Going concern issue	No

Report on Supplementary Information:

Opinion on supplementary information	Unmodified

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards:

Instances of fraud, non-compliance, or abuse of law, regulations, contracts or grants that have a material effect on the financial statements	No
Significant deficiencies or material weaknesses indicator	No

Federal Awards

Report on Compliance and Internal Control over Compliance Applicable to Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance:

Opinion on compliance with laws, regulations, and contracts applicable to each major program	Unmodified
Significant deficiencies or material weaknesses in internal controls over compliance indicator	No

Schedule of Findings and Questioned Costs

Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of OMB Uniform Guidance	No
Dollar threshold used to distinguish between type A and type B programs	$750,000
Low-risk auditee indicator	No

Identification of Major Programs

Grantor/Program or Cluster Title	Federal Assistance Listing Number
Geographic Programs - San Francisco Bay Water Quality Improvement Fund	66.126

Section II - Findings - Financial Statements Audit

None

Section III - Findings and Questioned Costs - Major Federal Award Programs Audit

None

SAN FRANCISCO ESTUARY INSTITUTE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

A. <u>June 30, 2024 - Prior Year Audit Finding (Financial Statements):</u>

Previous Finding Reference Number: 2024-01

Status Indicator: Corrected

Description of Previous Finding: During testing of invoices subsequent to year end it was noted there were some invoices not properly recorded as year end payables. Some of these expenses also relate to cost reimbursement grants.

Previous Response to Finding: Management indicated the organization would perform a more thorough review of subsequent disbursements to ensure all transactions are recorded in the proper period.

Current Status: Management has improved its processes over accounts payable and cutoff procedures. Based on audit procedures performed for the fiscal year ended June 30, 2025, this finding was not repeated.

INDEPENDENT AUDITORS' 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
San Francisco Estuary Institute

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 San Francisco Estuary Institute, which comprise the statements of financial position as of June 30, 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 April 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the San Francisco Estuary Institute'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 the San Francisco Estuary Institute's internal control. Accordingly, we do not express an opinion on the effectiveness of the San Francisco Estuary Institute'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 San Francisco Estuary Institute'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aprio, LLP

Walnut Creek, California

April 29, 2026

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

To the Board of Directors
San Francisco Estuary Institute

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited San Francisco Estuary Institute'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 San Francisco Estuary Institute's major federal programs for the year ended June 30, 2025. San Francisco Estuary Institute's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, San Francisco Estuary Institute 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 June 30, 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of San Francisco Estuary Institute 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 San Francisco Estuary Institute'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 San Francisco Estuary Institute's federal programs.

Auditors' 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 San Francisco Estuary Institute'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 San Francisco Estuary Institute'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 San Francisco Estuary Institute'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 San Francisco Estuary Institute'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 San Francisco Estuary Institute'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 Auditors' 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.

Aprio, LLP

Walnut Creek, California

April 29, 2026