NOYO CENTER FOR MARINE SCIENCE

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2021 AND 2020

This page intentionally left blank.

Noyo Center for Marine Science
Financial Statements
For the years ended December 31, 2021 and 2020
Table of Contents

Noyo Center for Marine Science

Financial Statements

For the years ended December 31, 2021 and 2020

List of Officials

Board of Directors

- Dave Turner, Board President
- Peter O'Donohue
- Linda Ruffing, Secreatry
- Paul Sweigert
- Ginny Feth-Michel, Treasurer
- Robby Bruce
- Wendi Felson

This page intentionally left blank.

JJACPA, Inc.
A Professional Accounting Services Corp.

INDEPENDENT AUDITORS' REPORT

Board of Directors
Noyo Center for Marine Science
Fort Bragg, California

Report on the Financial Statements

We have audited the accompanying Statement of Financial Position of the Noyo Center for Marine Science (Center), a California not-for-profit organization, which comprise the Statements of Financial Position as of December 31, 2021 and 2020, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

7080 Donlon Way, Suite 204, Dublin, CA 94568 ● phone (925) 556-6200 ● fax: (707) 242-7392
1102 South Main Street, #1, Fort Bragg, CA 95437 ● phone (707) 964-6325
www.jjacpa.com

Board of Directors
Noyo Center for Marine Science
Fort Bragg, California

Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of the Noyo Center for Marine Science as of December 31, 2021 and 2020, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

JJACPA, Inc.

March 30, 2022

JJACPA, Inc.
Dublin, California

FINANCIAL STATEMENTS

Noyo Center for Marine Science

Statements of Financial Position

December 31, 2021 and 2020

ASSETS	2021	2020
Current Assets:		
Cash and cash equivalents	$ 342,574	$ 292,236
Accounts receivable	52,765	59,433
Prepaid expenses	11,804	4,951
Inventories	40,785	36,985
Total current assets	447,928	393,605
Noncurrent Assets:		
Land	455,165	-
Building, net	359,780	-
Leasehold improvements, net	21,843	23,024
Furniture, fixtures and equipment, net	33,478	33,331
Total noncurrent assets	870,266	56,355
Total assets	$ 1,318,194	$ 449,960
LIABILITIES AND NET POSITION		
Liabilities:		
Current Liabilities:		
Accounts payable	$ 22,077	$ 17,359
Accrued payroll and related liabilities	34,395	29,414
Loan payable - EDIL	1,248	52,311
Total current liabilities	57,720	99,084
Noncurrent liabilities:		
Loan payable - EDIL	148,752	150,511
Total noncurrent liabilities	148,752	150,511
Total liabilities	206,472	249,595
Net Assets:		
With donor restrictions:	31,247	-
Without donor restrictions:		
Undesignated	1,080,475	200,365
Total net position	1,111,722	200,365
Total liabilities and net assets	$ 1,318,194	$ 449,960

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

Noyo Center for Marine Science

Statements of Activities

For the years ended December 31, 2021 and 2020

		Without Donor Restrictions	With Donor Restrictions	Total 2021		Total 2020
Changes in Unrestricted Net Position						
Unrestricted support:						
Discovery Center:						
Sales	$ 123,113				$ 48,309	
Cost of sales	(74,960)	$ 48,153	$ -	$ 48,153	(23,457)	$ 24,852
Rental Income- Cypress Building (net expenses of $27,755 and $5,032, respectively)		22,723	-	22,723		-
Fundraising and special events (net of expenses of $50,879 and $2,411, respectively)		15,971	31,247	47,218		35,613
Total unrestricted support		86,847	31,247	118,094		60,465
Other unrestricted revenues:						
Contributions		1,195,333	-	1,195,333		243,323
Investment income (loss)		602	-	602		656
Other		53,978	-	53,978		2,100
Total other unrestricted revenues		1,249,913	-	1,249,913		246,079
Net position released from restrictions:						
Restrictions satisfied by payments		-	-	-		-
Total unrestricted revenues and support		1,336,760	31,247	1,368,007		306,544
Expenses:						
Program services:						
Programs		226,315	-	226,315		121,025
Total program expenses		226,315	-	226,315		121,025
Support services:						
Management and general		75,907	-	75,907		124,458
Fundraising and special events		154,429	-	154,429		97,891
Total expenses		456,651	-	456,651		343,374
Increase in Amounts without Donor Restrictions		880,109	31,247	911,356		(36,830)
Change in Net Assets		880,109	31,247	911,356		(36,830)
NET ASSETS:						
Beginning of year		200,365	-	200,365		237,194
End of year		$ 1,080,475	$ 31,247	$ 1,111,722		$ 200,365

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

Noyo Center for Marine Science

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from contributions and programs	$ 1,255,979	$ 235,081
Receipts from Discovery Center sales	48,153	24,852
Receipts from Cypress Building	22,723	-
Receipts from special events	15,971	35,613
Payments to vendors for services and supplies	(181,599)	(67,472)
Payments to employees for services	(311,979)	(226,629)
Net cash provided by operating activities	849,248	1,445
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payment of PPP, EDIL Loan	(1,759)	150,511
Acquisition and construction of capital assets	(797,753)	2
Net cash used by capital and related financing activities	(799,512)	150,513
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income received (loss)	602	656
Net cash provided (used) by investing activities	602	656
Net increase in cash	50,338	152,614
CASH AND INVESTMENTS:		
Beginning of year	292,236	139,622
End of year	$ 342,574	$ 292,236
Presentation in Statement of Financial Position:		
Cash and investments - unrestricted	$ 342,574	$ 292,236
Total cash and investments	$ 342,574	$ 292,236
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net position	$ 880,109	$ (36,830)
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation	15,090	7,062
Investment (income) loss	(602)	(656)
Changes in operating assets and liabilities:		
Accounts receivable	6,668	(10,342)
Prepaid expenses	(6,853)	(2,751)
Inventory	(3,800)	(1,152)
Accounts payable	4,718	1,320
Accrued payroll and benefits	4,981	(7,517)
Loan paybale - PPP, EDIL	(51,063)	52,311
Net cash provided by operating activities	$ 849,248	$ 1,445

	2021	2020
Supplemental disclosures		
Noncash transactions		
In-kind contributions	$ -	$ 14,400
Cash paid for:		
Taxes	$ -	$ 75

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

Noyo Center for Marine Science
Statement of Functional Expenses
For the year ended December 31, 2021

	Program Services	Fundraising and Special events	Management and General	Total Expenses
Salaries and wages	$ 151,351	$ 78,478	$ 50,451	$ 280,280
Payroll taxes	12,736	6,604	4,246	23,586
Employee benefits	7,071	3,666	2,357	13,094
Total personnel costs	171,158	88,748	57,054	316,960
Accounting fees	4,628	2,400	1,542	8,570
Fundraising Consultation	-	33,890	-	33,890
Bank charges	248	129	83	460
Depreciation expense	7,545	3,772	3,773	15,090
Program Contracted Services	1,593	-	-	1,593
Directors and auto insurance	2,234	1,157	745	4,136
Information technology	2,987	1,550	996	5,533
Marketing and promotion	1,269	-	-	1,269
Membership dues	-	-	125	125
Recruitment	-	1,376	-	1,376
Rent, parking and other occupancy	13,176	6,832	4,392	24,400
Repairs and maintenance	652	338	218	1,208
Utilities	2,426	1,214	1,212	4,852
Property insurance	988	494	494	1,976
Professional development	89	-	-	89
Payment processing	1,525	4,573	-	6,098
Permits and licenses	-	-	147	147
Business expenses	-	-	657	657
Travel	1,736	-	-	1,736
Postage, shipping and delivery	329	263	65	657
Printing	2,035	1,628	406	4,069
Supplies and materials	6,963	3,610	2,321	12,894
Taxes and filing fees	-	-	99	99
Telephone and internet	2,447	1,269	816	4,532
Interest	2,287	1,186	762	4,235
Total expenses	$ 226,315	$ 154,429	$ 75,907	$ 456,651
Percentages	49.56%	33.82%	16.62%	100.00%

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

Noyo Center for Marine Science
Statement of Functional Expenses
For the year ended December 31, 2020

	Program Services	Fundraising and Special events	Management and General	Total Expenses
Salaries and wages	$ 65,435	$ 38,434	$ 87,609	$ 191,478
Payroll taxes	5,379	3,159	7,201	15,739
Employee benefits	4,065	2,388	5,442	11,895
Total personnel costs	74,879	43,981	100,253	219,112
Accounting fees	1,360	5,529	565	7,454
Fundraising Consultation	-	7,265	-	7,265
Bank charges	134	544	56	734
Depreciation expense	1,288	5,239	535	7,062
Program Contracted Services	21,160	356	-	21,516
Directors and auto insurance	-	-	799	799
Information technology	657	687	1,531	2,875
IT and web services	-	-	295	295
Marketing and promotion	334	1,358	139	1,831
Membership dues	-	-	150	150
Rent, parking and other occupancy	11,073	6,504	14,825	32,402
Repairs and maintenance	107	63	144	314
Utilities	1,641	964	2,198	4,803
Property insurance	99	58	132	289
Payment processing	530	2,155	220	2,905
Permits and licenses	-	-	247	247
Business expenses	1	6	1	8
Travel	2,061	-	-	2,061
Postage, shipping and delivery	91	369	38	498
Printing	478	1,943	199	2,620
Solicitation State Compliance	721	2,931	300	3,952
Supplies and materials	3,284	13,356	1,365	18,005
Telephone and internet	749	3,044	311	4,104
Interest	378	1,539	156	2,073
Total expenses	$ 121,025	$ 97,891	$ 124,459	$ 343,374
Percentages	35.25%	28.51%	36.25%	100.00%

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

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Noyo Center for Marine Science is a non-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. The initiative to develop the Noyo Center for Marine Science grew out of public and municipal efforts to diversify and revitalize the economy and community of Fort Bragg as the former Georgia Pacific lumber mill site ("Noyo Headlands") redevelopment began.

Comprising over a third of the City's total jurisdiction, including nearly three miles of Fort Bragg's ("City") coastline, the redevelopment of the Georgia Pacific lumber mill site has been the focal activity of the City of Fort Bragg for a number of years. Through many workshops and meetings, the Fort Bragg community identified a marine science and education center as a high priority to anchor initial Noyo Headlands reuse activities and help generate living wage jobs in the community. The Noyo Center Development will become a showcase for sustainable development on the Noyo Headlands and around the community with a mission to explore our dynamic connection with the ocean and to inspire the next generation of ocean and environmental leaders.

Located in Fort Bragg, California, the 11.5-acre Noyo Center site is situated adjacent to recently protected coastal lands. Together the Noyo Center and Noyo Headlands Park will lead the redevelopment of a 400-acre former timber mill site spanning more than three miles of Fort Bragg's waterfront. The City of Fort Bragg transferred the title to the Noyo Center on July 7, 2020.

The Noyo Center will be the only marine research and education center active year-round within a largely inaccessible 250 mile stretch of the northern California coast. The site is ideal for interpreting a spectacular array of marine and terrestrial habitats. Colleges, universities, and other agencies throughout the region are eager to conduct research in this location due to the abundant and diverse species assemblages supported by:

- Oceanographic features resulting in significant ecosystem productivity in zones of upwelling, river-ocean interface, eddy formation (the large Mendocino Eddy), and two large underwater canyons (Noyo Canyon and Vizcaino Canyon);
- A diversity of accessible marine substrates (rocky benches, surge channels, sand and cobble beaches, many off shore monuments).

In completing its purpose, Noyo Center for Marine Science ("Center") is led by the Board of Directors comprised of seven individuals. The organization is responsible for all aspects of Center activities.

Program and Supporting Services

Program services - includes expenses supporting the Center's:

- Downtown Fort Bragg Discovery Center exhibits, including the Virtual Reality Dome, 26-foot articulated Orca Skeleton and the growing marine mammal skeleton exhibits,
- The recovery of the Bull Kelp forest ecosystem,
- Youth education, and
- Community and ocean science initiatives, including the citizen science program, marine mammal beach survey and beach cleanup programs.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Management and General – Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Center's program strategy through the Executive Director; secure proper administrative functioning of the Board of Directors; maintain competent legal services for the program administration of the Center; and, manage the financial and budgetary responsibilities of the Center.

Fundraising and Special Events

Fundraising and Special Events consists of activities that are directly associated with raising contributions from donors to help maintain and expand the Center and its projects such as Help the Kelp, Blue Whale project, Summer Science Camps, Noyo trips to the sea, and community events.

Basis of Accounting

These financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses when incurred and accordingly reflect all significant receivables, payables, and other liabilities.

A. Cash and Cash Equivalents

As noted, above, cash and investments are maintained at Community First Credit Union, which is considered a high-quality financial institution.

Concentration of Credit and Market Risk

Financial instruments that potentially expose the Center to concentrations of credit and market risk consist primarily of cash and cash equivalents in Community First Credit Union, although amounts held are insured up to $250,000, and no balance exceeded that amount.

Cash and investments are maintained at high quality financial institutions and credit exposure is limited at any one institution. The Center has not experienced any losses on its cash and investments.

B. Accounts Receivable

Accounts receivable are stated at unpaid balances with no allowance for doubtful accounts as all amounts are deemed collectible as they are payable through governmental entities. There are also pledges from individuals, business and foundations, which have been collected subsequent to year end.

C. Inventory

Discovery Center retail inventory consists of clothing (t-shirts, sweatshirts and hats), jewelry and related items to promote the Center and provide displays and information regarding Center activities. The remaining inventory on hand as of December 31, 2021 was $40,785.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Property and Equipment and Depreciation

Purchased property and equipment are stated at cost. It is the policy of the Center to capitalize property and equipment over $5,000. Depreciation of property and equipment is calculated using the straight-line cost recovery method based on estimated useful lives of the related assets, which range from five to thirty-nine years, or over the lesser of the term of the lease or the estimated useful life of the asset for assets under capital lease.

E. Donated Assets

Donations of furniture and equipment are recorded at their estimated fair value at the date of receipt or unconditional promise to give. Donated land and buildings are reported at the appraised value of the property when received. Such donations are reported as unrestricted support unless the donor 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 restricted support. Absent donor stipulations regarding how long the donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Center reclassifies temporarily restricted net assets to unrestricted net assets at that time.

F. Classification of Net Assets

The financial statements of the Center have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Center reports information regarding its financial position and activities 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 available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has no current designations.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At December 30, 2021, the Center had $31,247 of net assets with donor-imposed restrictions.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Revenue Recognition

The Center reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

H. Contributions

Contributions are recorded as revenues at fair value at the date of receipt or unconditional promise to give, and as assets or decreases of liabilities or expenses, depending on the form of the benefit received. Donor-restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted contributions.

I. Contributed Services

Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made,* 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 Center. Many individuals volunteer their time and perform a variety of tasks that assist the Center in providing program services, administration and development, these services do not meet the criteria for recognition as contributed services as defined above.

J. Income Taxes

The Center is a California not-for-profit corporation that is exempt from income taxes under Section 501 (c) (6) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code and is classified by the Internal Revenue Service as other than a private Foundation.

K. Functional Allocation of Expenses

Costs of providing the Center's programs and other activities have been summarized in the Statements of Functional Expenses for the applicable years. During the year, such costs were accumulated into separate accounts as either direct for program services or direct management and administrative costs. Indirect costs were allocated to the programs based on payroll expenses.

L. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support, revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these consolidated financial statements accordingly. The ASU has been applied retrospectively to all periods presented with no effect on net assets balances or classification.

N. Subsequent events

Management of the Center has evaluated events and transactions subsequent to December 31, 2021, for potential recognition or disclosure in the financial statements. See Note 12 for a discussion of subsequent events.

2. LIQUITDITY AND AVAILABILITY

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

Financial assets available to meet general expenditures within one year	2021	2020
Cash and cash equivalents	$ 342,574	$ 292,236
Accounts receivable	52,765	59,433
Total financial assets at December 31,	395,339	351,669
Less amounts not available to be used within one year:		
Net assets with donor restrictions	31,247	-
Board designated admin and operating reserves	-	-
Financial assets available to meet general expenditures within one year	$ 426,586	$ 351,669

Investment income for December 31, 2021, and 2020, at fair value was as follows:

	2021	2020
Dividends and interest income	$602	$656
Sales of securities loss	-	-
Net investment income (loss)	$ 602	$ 656

As of December 31, 2021, the Center has $31,247 of net assets with donor restrictions held for the development of the LA-Bone-atory, a building to be constructed on the Center's Headlands site to house the skeleton of the Center's 73-foot blue whale.

3. ACCOUNTS RECEIVABLE

Accounts receivable balances as of December 31, 2021, and 2020, consisted of all receivables (aged up to greater than 90 days from their due date) with the following categorization:

	2021		2020	
	Total	Percentage	Total	Percentage
Grants	$ 1,144	2.2%	$ 3,844	6.5%
Pledges	22,269	42.2%	24,522	41.3%
Tax credits	10,635	20.2%	24,817	41.8%
TOT	15,010	28.4%	6,250	10.5%
Merchandise Sales	3,146	6.0%	-	0.0%
Other (Insurance refund)	561	1.1%	-	0.0%
Total	$ 52,765	100.0%	$ 59,433	100.0%

Amounts receivable for the transient occupancy tax (TOT) are collected by the City and if canceled, the Center would experience significant revenue loss and possible program elimination.

4. PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance Jan 1, 2020	Additions	Adjustments/ Retirements	Balance Dec 31, 2021
Capital assets, not being depreciated:				
Land	$ -	$ 292,600	$ -	$ 292,600
Total capital assets, not being depreciated	-	292,600	-	292,600
Capital assets, being depreciated:				
Building	-	530,000	-	530,000
Improvements	23,024	-	-	23,024
Furniture, fixtures & equipment	34,878	6,400	-	41,278
Machinery and office equipment	18,340	-	-	18,340
Total capital assets, being depreciated	76,242	536,400	-	612,642
Less: accumulated depreciation	(19,887)	(15,089)	-	(34,976)
Total capital assets, being depreciated net	56,355	521,311	-	577,666
Net book value	$ 56,355	$ 813,911	$ -	$ 870,266

On March 1, 2021, the Center received an unrestricted donation of land and buildings (Cypress Building). The fair value of the donation, based on a current appraisal was $530,000.

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balance Jan 1, 2020	Additions	Adjustments/ Retirements	Balance Dec 31, 2020
Improvements	$ 23,024	$ -	$ -	$ 23,024
Construction in progress	-	-	-	-
Furniture, fixtures & equipment	34,878	-	-	34,878
Machinery and office equipment	18,340	-	-	18,340
Total cost	76,242	-	-	76,242
Less: accumulated depreciation	(12,823)	(7,064)	-	(19,887)
Net book value	$ 63,419	$ (7,064)	$ -	$ 56,355

5. ACCOUNTS PAYABLE

Accounts payable at December 31, 2021 and 2020, consisted of amounts with the following concentrations, in which an amount payable to AMS exceeded 39% for December 31, 2021 and to Orozco, Chris of 5.7% for December 31, 2021, of total payables, but all amounts were diluted by amounts payable to other vendors and do not represent a specific concentration with any single vendor:

	2021		2020	
	Total	Percentage	Total	Percentage
Orozco, Chris	1,833	8.3%	686	4.0%
AMS - Insurance	3,952	17.9%	4,745	27.3%
Authentic Sportcap	-	0.0%	2,811	16.2%
Sales tax	3,766	17.1%	3,158	18.2%
Merchandise	2,352	10.7%	-	0.0%
Employee Expense Reimbursements	2,364	10.7%	-	0.0%
SideStreet Consulting	1,500	6.8%	-	0.0%
Interst Payable - EIDL	6,310	28.6%	-	0.0%
Other	-	0.0%	5,959	34.3%
Total	$ 22,077	100.0%	$ 17,359	100.0%

6. FAIR VALUE MEASUREMENTS AND INVESTMENTS

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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 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;
- 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.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. As a practical expedient, certain investments are measured at fair value on the basis of net asset value. The fair value of these investments is not included in the fair value hierarchy.

6. FAIR VALUE MEASUREMENTS AND INVESTMENTS, Continued

The Center uses appropriate valuation techniques based on the available inputs to measure the fair value of their investments. When available, the Noyo Center measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying investments.

The schedules below present and report the types of investments of the Center at fair value as of June 30, 2021 and 2020:

	Fair Value			
2021	Total	Level 1	Level 2	Level 3
Certificate of Deposits	$ -	$ -	-	-
Savings & short-term investment	39,053	39,053	-	-
Total	$ 39,053	$ 39,053	$ -	$ -

	Fair Value			
2020	Total	Level 1	Level 2	Level 3
Certificate of Deposits	$ 35,752	$ 35,752	-	-
Savings & short-term investment	3,021	3,021	-	-
Total	$ 38,773	$ 38,773	$ -	$ -

7. ECONOMIC INJURY DISATER LOAN

On July 13, 2020, the Center received a Economic Injury Disaster Loan (EIDL) of $150,000 from the Small Business Admnistration. The loan proceeds are used solely as working capital to alleviate economic injury caused by disaster occuring in the month of January 31, 2021 and continuing thereafter. The loan bears interest at the rate of 2.75% per annum. Monthly installment payment of $641, including principal and interest will begin twenty-four months from the loan effective date (June 2022) at the the balance of principal and interest due on thirty (30) years.

8. PAYCHECK PROTECTION PROGRAM FORGIVABLE LOAN

On April 27, 2020, the Center received loan proceeds of $50,748 from a promissory note issued by Savings Bank of Mendocino County, under the Paycheck Protection Program (PPP), which was established under the Coronavirus Aid, Relief, and Economic Security Act (“CARES”) and is administered by U.S. Small Business Administration. The Loan maturity date was April 27, 2022, and with an annual interest rate of 1%. Payment of principal and interest were deferred for the first six months of the loan. On March 2, 2021 the Center has been notified that $50,748 in eligible expenditures for payroll and other expenses discribed in the CARES Act has been forgiven.

Loan forgiveness is reflected in capital gain in the accompanying statement of activities.

8. PAYCHECK PROTECTION PROGRAM FORGIVABLE LOAN, Continued

On March 4, 2021 the Center received loan proceeds of $41,851 from a second promissory note issued by Savings Bank of Mendocino County, under the Paycheck Protection Program (PPP), which was established under the Coronavirus Aid, Relief, and Economic Security Act ("CARES") and is administered by U.S. Small Business Administration. The loan maturity date was July 4, 2022, with an annual interest rate of 1%. Payments of principal and interest were deferred for the first ten months of the loan. On September 14, 2021, the Center was notified that $41,851 in eligible expenditures for payroll and other expenses as described in the CARES Act has been forgiven.

Loan forgiveness is reflected in contributions in the accompanying statement of activities.

9. RECENT ACCOUNTING PRONOUNCEMENTS

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Center has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly.

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board (FASB) issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires the organization to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, as well as other disclosures.

On June 21, 2020, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with our implementation of ASU 2018-08. Standards will be effective for annual reporting periods beginning after December 15, 2021. Management is evaluating the effect of the amended revenue recognition guidance on The Center's financial statements.

In August 2016, FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230), *Classification of Certain Cash Receipts and Cash Payments*. This guidance is intended to reduce the diversity in practice in how certain transactions are classified in the statement of cash flows. In addition, in November 2016, FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230), Restricted Cash. This ASU provides additional guidance related to transfers between cash and restricted cash and how entities present, in their statements of cash flows, the cash receipts and cash payments that directly affect the restricted cash accounts. The Center adopted these provisions in the accompanying financial statements.

9. RECENT ACCOUNTING PRONOUNCEMENTS, Continued

Leases

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). Under ASU 2016-02, a lessee will recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-to-use asset representing its right to use the underlying asset for the lease term. The amendments of this ASU are effective for reporting periods beginning after December 15, 2021. The Center will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. Management is currently assessing the impact the adoption of ASU 2016-02 will have on its financial statements and disclosures.

10. RELATED PARTIES

Noyo Center for Marine Science has a close association with Anne Semans who is the sister of Sheila Semans, Executive Director and Lilly Semans, a niece of Semans, Executive Director; and Eli Henderson, the son of Linda Ruffing, a Board member. During 2021 the Noyo Center purchased merchandise for sale in its Museum store from Ms. Anne Semans' purchases totaled $936. During 2021 Lilly Semans worked as a Retail Clerk in the Center's Discovery Center and earned $1,141. During 2021, the Noyo Center contacted with Mr. Henderson for social media support and assistance with developing a donor data based. During 2021, Mr. Henderson earned $7,896.

11. PANDEMIC EFFECTS

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Center is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Center's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Center's employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact Center's financial position and changes in net position, fund balance and cash flows is uncertain, and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

12. SUBSEQUENT EVENTS

The Center has evaluated subsequent events occurring after the Statement of Net Position through the date of March 20, 2022, which is the date the financial statements were available to be issued. On February 24, 2022, the Center purchased a waterfront property in the Noyo Harbor for $700,000. The Center funded the acquisition by encumbering the Cypress Building in the amount of $397,500, a first trust deed from the Seller in the amount of $160,000. The remaining funds to complete the acquisition were provided by the Center. The Cypress Building loan bears interest of 4.5% until December 26, 2026. On December 26, 2026, the interest rate will be adjusted based on the Constant Maturity Treasury Index for 5 Year Treasuries. Principal and interest payments in the monthly amount of $2,227 begin March 5, 2022. The Cypress Building loan has a maturity date of February 2032.

The Seller's First Trust Deed bears interest of 4% with interest only payments beginning March 4, 2022. This loan matures August 4, 2022.