

**THE INSTITUTE FOR BIRD POPULATIONS**  
Financial Statements  
including the Independent Auditors' Report  
for the Years Ended  
December 31, 2007 and 2006

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The Institute for Bird Populations

We have audited the accompanying statement of financial position of The Institute for Bird Populations as of December 31, 2007 and 2006, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of The Institute for Bird Populations' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Institute for Bird Populations' internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Institute for Bird Populations as of December 31, 2007 and 2006 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2008 on our consideration of The Institute for Bird Populations' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

December 22, 2008

**THE INSTITUTE FOR BIRD POPULATIONS**  
**STATEMENTS OF FINANCIAL POSITION**  
As of December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 295,908	\$ 240,333
Accounts receivable	177,523	193,747
Receivable related party	9,000	-
Restricted cash	60,143	97,727
<b>TOTAL CURRENT ASSETS</b>	<u>542,574</u>	<u>531,807</u>
<b>OTHER ASSETS</b>		
Receivable related party-net of current portion	5,000	14,000
Other assets	868	912
<b>PROPERTY AND EQUIPMENT</b>		
<b>(NET OF DEPRECIATION) NOTE C</b>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 548,442</u>	<u>\$ 546,719</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accrued benefits and expenses	\$ 55,245	\$ 50,599
Accrued compensated absences	324,912	293,513
Accrued payroll taxes	39,227	36,223
Accrued retirement	14,202	13,022
<b>TOTAL CURRENT LIABILITIES</b>	433,586	393,357
<b>NET ASSETS</b>		
Unrestricted	54,713	55,635
Temporarily restricted	60,143	97,727
<b>TOTAL NET ASSETS</b>	<u>114,856</u>	<u>153,362</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 548,442</u>	<u>\$ 546,719</u>

See accompanying notes to financial statements.

**THE INSTITUTE FOR BIRD POPULATIONS**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended December 31, 2007 and 2006**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2007</u>	<u>2006</u>
Support				
Contracts:				
U.S. government agreements subject to OMB A-133	\$ 935,824	\$ 48,143	\$ 983,967	\$ 1,156,826
Other U.S. government agreements	-	-	-	-
Other governmental agencies	56,982	-	56,982	39,895
Private grants and contracts	91,872	12,000	103,872	81,999
Donations	28,421	-	28,421	21,889
Other revenues	42,612	-	42,612	15,491
Total contracts, donations and other revenues	<u>1,155,711</u>	<u>60,143</u>	<u>1,215,854</u>	<u>1,316,100</u>
Expenses				
Program services	936,563	-	936,563	985,790
Supporting services	317,797	-	317,797	300,478
Total Expenses	<u>1,254,360</u>	<u>-</u>	<u>1,254,360</u>	<u>1,286,268</u>
Change in net assets	(98,649)	60,143	(38,506)	29,832
Net Assets released from restrictions	97,727	(97,727)	-	-
Net assets beginning of year	55,635	97,727	153,362	123,530
Net assets end of year	<u>\$ 54,713</u>	<u>\$ 60,143</u>	<u>\$ 114,856</u>	<u>\$ 153,362</u>

See accompanying notes to financial statements.

**THE INSTITUTE FOR BIRD POPULATIONS**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (38,506)	\$ 29,832
Adjustments to reconcile change in net assets to net cash (provided by) used in operating activities:		
(Increase) decrease in operating assets:		
Restricted cash	37,584	4,187
Accounts receivable	16,224	(70,680)
Receivable related party	-	4,115
Other assets	44	3,596
Increase (decrease) in operating liabilities:		
Accrued benefits and expenses	4,646	4,201
Accrued compensated absences	31,399	11,906
Accrued payroll taxes	3,004	10,240
Accrued retirement	1,180	8,621
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>55,575</u>	<u>6,018</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	<hr/> -	<hr/> -
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
NET CASH PROVIDED (USED) IN FINANCING ACTIVITIES	<hr/> -	<hr/> -
<b>NET INCREASE IN CASH</b>	55,575	6,018
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>240,333</u>	<u>234,315</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 295,908</u>	<u>\$ 240,333</u>

See accompanying notes to financial statements.

**THE INSTITUTE FOR BIRD POPULATIONS  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended December 31, 2007 and 2006**

**NOTE A      NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

The Organization and Nature of Activities

The Institute for Bird Populations (The Institute), a non-profit organization, was founded March 21, 1989, to coordinate and conduct scientific research and biomonitoring programs on birds and their environments, to educate students and other persons in avian research and biomonitoring techniques, and to disseminate scientific information to the public regarding regional and global changes in the numbers, distributions, and ecology of birds.

Revenue Recognition

Contributions are recognized as revenue the earlier of when they are received or invoiced. Contributions are considered to be unrestricted unless specifically restricted by the donor.

The Institute reports contributions as temporarily restricted if they are received with donor stipulations as to their use.

Revenue from federal agencies is generally reported as unrestricted contract revenue as qualifying expenses are incurred under the contract.

Fair Value of Financial Instruments

The Financial Accounting Standards Board's (FASB) Statement of Financial Accounting Standards (SFAS) No. 107, *Disclosures about Fair Value of Financial Instruments*, defines the fair values of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. At December 31, 2007, the fair values of The Institute's cash, other current assets and accounts payable approximated their carrying values due to their short-term maturities.

Use of Estimates

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

Property and Equipment

Property and equipment purchased is stated at cost. Donated assets 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

**THE INSTITUTE FOR BIRD POPULATIONS  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended December 31, 2007 and 2006**

**NOTE A      NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

Property and Equipment (continued)

support. Absent donor stipulations regarding how long those donated assets must be maintained, The Institute reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Institute reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is provided by using the straight-line method, over their estimated useful lives.

Concentration of Risk

Background:

The Institute receives substantially all of its funding from U.S. government grants and agreements, which accounted for approximately 81% of the total revenue. The Institute places its cash and temporary cash investments with well-established financial institutions. At December 31, 2007, and periodically throughout the year 2007, such cash balances were in excess of FDIC insurance limits, as stated in Note F.

Compensated Absences

SFAS No. 43, *Accounting for Compensated Absences*, requires an employer to accrue a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Statement requires a liability to be accrued for vacation and sabbatical benefits that employees have earned but have not yet taken; however, it generally does not require a liability to be accrued for future sick pay benefits, holidays, and similar compensated absences until employees are actually absent. All material benefits earned have been accrued.

Financial Statement Presentation

Effective 1992, The Institute elected adoption of SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, The Institute is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, The Institute is required to present a statement of cash flows.

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with The Institute's financial statements for the year ended December 31, 2007, from which the summarized information was derived.

**THE INSTITUTE FOR BIRD POPULATIONS  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended December 31, 2007 and 2006**

**NOTE A      NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

Contributions

The Institute elected adoption of SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, The Institute considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Benefits and Retirement

The Institute accrues benefits monthly based on actual time worked. The accrual is relieved by charges for actual benefits (vacation, sick, holiday, sabbatical) time taken. The Institute also accrues pension liability in conjunction with other personnel accruals. Periodically, the accrual is reviewed and adjusted directly through current period expense.

**NOTE B      RESTRICTIONS ON ASSETS**

As of December 31, 2007, temporarily restricted net assets of \$60,143 were available for the purpose of future operations of the Monitoring Avian Productivity and Survivorship (MAPS) and Monitoring Avian Winter Survival (MAWS) programs on military installations, and for providing new and unpublished information on the molt and determination of age and sex in North American birds. Separate depository accounts are not required for Federal cash advances, but the recipient must be able to account for the receipt, obligation, expenditure of and interest on the funds.

**NOTE C      PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2007 consisted of the following fully depreciated assets:

**THE INSTITUTE FOR BIRD POPULATIONS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2007 and 2006**

**NOTE C      PROPERTY AND EQUIPMENT (Continued)**

	<u>2007</u>
Office equipment	\$     858
Computers	17,007
Scientific equipment	8,359
Software	<u>2,772</u>
Total	28,996
Accumulated depreciation	<u>(28,996)</u>
Net	<u><u>\$            -</u></u>

Assets were depreciated over 3-5 years using the straight-line method.

**NOTE D      LEASES**

The Institute is not a party to any long-term leases. The Institute maintains an office location under a month-to-month rental arrangement. The Institute also rents lodging at field sites as needed. Total rental expense was \$66,743 and \$66,337 for the years ended December 31, 2007 and 2006, respectively.

**NOTE E      INCOME TAXES**

The Institute is exempt from income taxes under Federal Internal Revenue Code section 501(C)(3) and under California Franchise Tax Code section 23701(d). Consequently, there is no provision for income taxes. Contributions to The Institute are tax deductible.

**NOTE F      CONCENTRATION OF CREDIT RISK**

At December 31, 2007, funds on deposit with accounts in aggregate insured to \$100,000 at each FDIC insured institution were as follows:

	<u>2007</u>
Institution A (Bank of Petaluma)	\$    252,382
Institution B (Bank of America)	<u>103,669</u>
	<u><u>\$    356,051</u></u>

**THE INSTITUTE FOR BIRD POPULATIONS  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended December 31, 2007 and 2006**

**NOTE G IN-KIND DONATIONS**

During the years ended December 31, 2007 and 2006, in-kind donations recorded as support income were \$15,314 and \$21,719, respectively.

**NOTE H ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES**

At December 31, 2007 and 2006, all accounts were considered collectible. No allowances for doubtful accounts were charged to expense for the years 2007 and 2006.

**NOTE I RECEIVABLE-RELATED PARTIES**

The Institute purchases books to provide to persons taking its training courses and for use at its field locations that are published by a company controlled by senior staff of The Institute. During the years ended December 31, 2007 and 2006, The Institute paid \$1,321 and \$527 respectively, to purchase books. At December 31, 2007 there were \$14,000 pledged by the company controlled by senior staff to The Institute. \$9,000 is expected to be received in calendar year 2008.

**NOTE J SHORT-TERM BORROWING**

The Institute has available an unsecured and committed operating line of credit providing for borrowing in the aggregate at any time not to exceed \$20,000. At December 31, 2007 the amount outstanding on this line of credit was \$0. The interest rate was at an 6.5% annual percentage rate as of 12/31/07

**NOTE K RETIREMENT**

The Institute has established a retirement plan to supplement the income of all regular staff upon retirement. The plan is known as "The Institute for Bird Populations 401(k)/Profit Sharing Plan." Under this plan, which is currently administered by Berliant and Associates, The Institute contributes 4% of the gross monthly salary of each qualifying employee into the 401(k)/Profit Sharing Plan; and the employee may, through tax-deferred payroll deductions, contribute additional funds up to the limit set by the law. During the year ended December 31, 2007, The Institute contributed \$18,578 to the retirement plan.

**NOTE L SABBATICAL LEAVE**

In accordance with EITF 06-2 Accounting for Sabbatical Leave and Other Similar Benefits Pursuant to FASB Statement No. 43, The Institute has historically accrued sabbatical leave as accrued. During the year ended December 31, 2007 sabbatical leave expense was \$39,587. The accrual total at December 31, 2007 was 207,690.

**SUPPLEMENTAL  
INFORMATION**

**THE INSTITUTE FOR BIRD POPULATIONS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2007

	<b>Program (Data Gathering, Analysis and Reporting)</b>	<b>Supporting Management and General</b>	<b>Total</b>
<b>Compensation and related expenses:</b>			
Salaries, wages, and compensated absences	\$ 371,053	\$ 158,171	\$ 529,224
Retirement	14,050	6,013	20,063
Medical, dental and other employee benefits	56,084	17,357	73,441
Payroll taxes	36,412	14,188	50,600
Subtotal	<u>477,599</u>	<u>195,729</u>	<u>673,328</u>
<b>Other expenses</b>			
Field work, consulting, and supervision	97,336	798	98,134
Tropical field work	47,974	-	47,974
Intern per diems	141,479	-	141,479
Computer data services	7,831	-	7,831
Travel	83,470	2,512	85,982
Conferences, conventions, meetings	761	465	1,226
Occupancy	51,359	27,079	78,438
Telephone	987	5,407	6,394
Postage, shipping, and email	2,562	4,422	6,984
Information transfer (printing and publications)	7,616	1,741	9,357
Supplies	17,233	22,851	40,084
Maintenance	-	207	207
Accounting and audit	-	46,427	46,427
Bank and other fees	-	5,288	5,288
Legal fees	-	104	104
Insurance	356	4,767	5,123
Subtotal	<u>458,964</u>	<u>122,068</u>	<u>581,032</u>
<b>Total Functional Expenses</b>	<u><u>\$ 936,563</u></u>	<u><u>\$ 317,797</u></u>	<u><u>\$ 1,254,360</u></u>

**THE INSTITUTE FOR BIRD POPULATIONS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended December 31, 2007**

**U.S. DEPARTMENT OF AGRICULTURE - USDA**

<b>Federal Grantor, Pass Through Grantor, Program Title, Grant, Award, Contract Name</b>	<b>IBP ID#</b>	<b>Federal CFDA #</b>	<b>Agency or Pass thru Number</b>	<b>Federal Expenditures</b>
<b>USDA Forest Service</b>				
NW OR Contrac. Area MAPS	FS6 07	10	AG-046W-P-06-0036 Mod. 2	\$ 57,000
			TOTAL USDA	\$ 57,000

**THE INSTITUTE FOR BIRD POPULATIONS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2007**

**U.S. DEPARTMENT OF INTERIOR - USDI**

<b>Federal Grantor, Pass Through Grantor, Program Title, Grant, Award, Contract Name</b>	<b>IBP ID#</b>	<b>Federal CFDA #</b>	<b>Agency or Pass thru Number</b>	<b>Federal Expenditures</b>
<b>National Park Service</b>				
Yosemite Nat'l Park				
MAPS	YOS 06	15	H8800-03-0009 Mod. #3	\$ 2,033
Sequoia & Kings Canyon NP				
MAPS	SKA 06	15	P2130060418	10,000
North Cascades NPS Complex				
SIER	WPM 06	15	H9471061076 Task #J9471061084	4,828
SIER	WPM 07	15	H9471061076 Task #J9471071093	53,494
SIER	WPM 07	15	H9471061076 Task #J9471061159	10,932
SIER	NWO 07	15	H9471061076 Task #J9471061159	58,745
SIER	NWO 08	15	H9471061076 Task #J9471071281	-
Yosemite National Park				
SIER	SPM 06	15	P21300A408	24,806
SIER	WFL 07	15	H8813-06-0545 Mod. 0001	<u>85,126</u>
TOTAL NATIONAL PARK SERVICE				<u>\$ 249,964</u>
<b>U.S. Fish and Wildlife Service</b>				
USFWS, Region 7				
MAPS	AKF 06		701816C257	6,540
USFWS, Div. Hab. Con.				
TROP 2004-06	MOS 04-06	15.635	CA-N191	43,620
USFWS, Region 6				
MOLT/AGE/SEX	MMS 07		601816J387 & Mod. 0001	<u>31,395</u>
TOTAL U.S. FISH AND WILDLIFE SERVICE				<u>\$ 81,555</u>

THE INSTITUTE FOR BIRD POPULATIONS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended December 31, 2007

U.S. DEPARTMENT OF INTERIOR - USDI (Continued)

Federal Grantor, Pass Through Grantor, Program Title, Grant, Award, Contract Name	IBP ID#	Federal CFDA #	Agency or Pass thru Number	Federal Expenditures
<b>National Fish and Wildlife Foundation</b>				
NFWF				
MAPS	MNF (F) 05-07	15	2005-0260-000	\$ 3,368
NFWF				
BUOW	BNF (F) 06-08	15	2006-0045-000	<u>55,805</u>
TOTAL NATIONAL FISH AND WILDLIFE FOUNDATION				<u>\$ 59,173</u>
TOTAL US DOI				<u><u>\$ 390,692</u></u>

**THE INSTITUTE FOR BIRD POPULATIONS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2007**

**U.S. DEPARTMENT OF DEFENSE - DOD**

<b>Federal Grantor, Pass Through Grantor, Program Title, Grant, Award, Contract Name</b>	<b>IBP ID#</b>	<b>Federal CFDA #</b>	<b>Agency or Pass thru Number</b>	<b>Federal Expenditures</b>
<b>Department of the Navy</b>				
NAFACENG COM-Atlantic (through Geo-Marine, Inc.; includes BRU-06 and BRU-07 expenses)				
MAPS	SUG 06	12	G-M No. 2143sa06-A	\$ 26,320
MAPS	SUG 07	12	G-M No. 2143sa06-A Mod. No. 1	<u>35,583</u>
TOTAL DEPARTMENT OF THE NAVY				<u>\$ 61,903</u>
<b>Department of the Army</b>				
Fort Bragg, PWBC Con.				
MAPS	BRA 06	12	W91247-05-P-0176 P00001 & P00002	1,797
MAPS	BRA 07	12	W91247-05-P-0176 P00003	14,493
US Army Corp of Engineers				
MAPS	LEG 06	12	DACA87-00-H-0003 Mod. #9	87,957
MAPS	LEG 07	12	DACA87-00-H-0003 Mod. #12	142,419
MAPS	LEO/07	12	DACA87-00-H-0003 Mod. #13	48,011
US Army Corp of Engineers				
TROP	LEM 06	12	DACA87-03-H-0013 Mod. #3	<u>59,617</u>
TOTAL DEPARTMENT OF THE ARMY				<u>\$ 354,284</u>
TOTAL US DOD				<u><u>\$ 416,187</u></u>

**THE INSTITUTE FOR BIRD POPULATIONS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended December 31, 2007**

**U.S. INSTITUTES OF HEALTH - USNIH**

<b>Federal Grantor, Pass Through Grantor, Program Title, Grant, Award, Contract Name</b>	<b>IBP ID#</b>	<b>Federal CFDA #</b>	<b>Agency or Pass thru Number</b>	<b>Federal Expenditures</b>
<b>US Institutes of Health</b>				
US Institutes of Health (through the University of California at Los Angeles)				
MAPS	EID 06		UCLA Sub. 0830 G HB632	\$ 71,628
MAPS	EID 07		UCLA Sub. 0830 G HB632, Amend. 1	<u>48,460</u>
			TOTAL USNIH	<u>\$ 120,088</u>
			TOTAL FEDERAL GOVERNMENT	<u>\$ 983,967</u>

**THE INSTITUTE FOR BIRD POPULATIONS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2007**

**NOTE A      BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of The Institute for Bird Populations and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**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  
The Institute for Bird Populations

We have audited the financial statements of The Institute for Bird Populations (The Institute) as of and for the year ended December 31, 2007, and have issued our report thereon dated December 22, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Institute's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Institute's financial statements are free of 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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Marc Lumer and Company,  
December 22, 2008

**INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors  
The Institute For Bird Populations

Compliance

We have audited the compliance of The Institute for Bird Populations (The Institute) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. The Institute's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of The Institute's management. Our responsibility is to express an opinion on The Institute's compliance based on our audit.

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 *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Institute's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of The Institute's compliance with those requirements.

In our opinion, The Institute complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of The Institute is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered The Institute's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

**INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133 (continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to and should not be used by anyone other than these specified parties.

Marc Lumer and Company,  
December 22, 2008

**THE INSTITUTE FOR BIRD POPULATIONS  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2007**

**SECTION I. SUMMARY OF AUDITORS' RESULTS**

Financial Statements

1. Type of auditors' report issued on the financial statements: Unqualified
2. Internal control over financial reporting:
- Material weakness (es) indentified?  yes  no
  - Reportable condition(s) identified that are not considered to material weakness(es)?  yes  none reported
3. Noncompliance material to financial statements noted?  yes  no

Federal Awards

4. Internal controls over major program:
- Material weakness (es) indentified?  yes  no
  - Reportable condition(s) identified that are not considered to material weakness(es)?  yes  none reported
5. Type of auditors' report on compliance for major program: Unqualified
6. Did the audit disclose findings that are required to be reported under Sec. 510(a): Yes
7. Major program includes:

<b>CFDA number</b>	<b>Name of federal program</b>
15.647	Migratory Bird conservation

8. Dollar threshold used to distinguish between type A and type B \$ 300,000
9. Auditee qualified as low-risk auditee:  yes  no

**SECTION II. FINANCIAL STATEMENT FINDINGS**

None

**SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:**

None

**THE INSTITUTE FOR BIRD POPULATIONS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2007**

**FINANCIAL STATEMENT AUDIT**

Findings - Year Ended December 31, 2005:  
None.

Findings - Year Ended December 31, 2006:  
None.