

# Sea Turtle Conservancy, Inc.

## Financial Statements and Independent Auditors' Report

December 31, 2022

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**Kattell and Company, P.L.**  
*Certified Public Accountants Serving the Nonprofit Community*

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Board of Directors  
Sea Turtle Conservancy, Inc.  
Gainesville, Florida

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**Independent Auditors' Report on the Audit of the Financial Statements**

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***Opinion.***

We have audited the accompanying financial statements of Sea Turtle Conservancy, Inc. (the Corporation), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

***Responsibilities of Management for the Financial Statements.***

Management is responsible for the preparation and fair presentation of 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 the Corporation'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

**Independent Auditors' Report on the Audit of the Financial Statements (concluded)**

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***Auditors' Responsibilities for the Audit of the Financial Statements (concluded).***

- 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 the Corporation'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 the Corporation'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.

**Report on Summarized Comparative Information.** We have previously audited the Corporation's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 4, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Emphasis of Matter.** As discussed in Note 1 to the financial statements, the Corporation made a change in its accounting for leased office space in accordance with recently issued financial accounting standards.

*Kattell and Company, P.L.*

August 11, 2023

*"Not everything that counts can be counted, and not everything that can be counted counts."*

- Albert Einstein

**Statement of Financial Position**  
**December 31, 2022**  
(with summarized comparative information for 2021)  
**Sea Turtle Conservancy, Inc.**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash	\$ 3,693,540	\$ 2,988,959
Investments	--	37,592
Receivables	700,870	345,851
Prepays and Deposits	22,935	22,356
Inventories	38,730	42,586
Assets Restricted to Long-Term Purposes:		
Cash	185,845	461,860
Investments	2,386,400	2,519,462
Receivables	--	2,820
Structures and Equipment, Net	265,087	347,023
Land	<u>25,300</u>	<u>25,300</u>
<b>Total Assets</b>	<b><u>\$ 7,318,707</u></b>	<b><u>\$ 6,793,809</u></b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts Payable	\$ 40,378	\$ 30,269
Accrued Liabilities	153,694	140,606
Refundable Advance	264,458	255,491
Agency Deposits	72,032	55,277
Lease Liability	<u>76,198</u>	<u>129,796</u>
Total Liabilities	606,760	611,439
Net Assets:		
Without Donor Restrictions		
Invested in Property and Equipment	214,189	242,527
Other	<u>2,704,699</u>	<u>1,972,329</u>
Total Without Donor Restrictions	2,918,888	2,214,856
With Donor Restrictions	<u>3,793,059</u>	<u>3,967,514</u>
Total Net Assets	<u>6,711,947</u>	<u>6,182,370</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 7,318,707</u></b>	<b><u>\$ 6,793,809</u></b>

See accompanying notes.

**Statement of Activities**  
**For the Year Ended December 31, 2022**  
(with summarized comparative information for 2021)  
**Sea Turtle Conservancy, Inc.**

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Support:</b>				
Government Grants	\$ 52,000	\$ 757,240	\$ 809,240	\$ 791,953
Non-Government Grants:				
NFWF	1,220,767	--	1,220,767	1,651,206
Other	232,200	253,932	486,132	527,150
Contributions	885,488	73,634	959,122	756,126
Memberships	302,985	--	302,985	290,268
Special Events	58,218	--	58,218	44,654
Net Assets Released from Restrictions:				
Purpose Restrictions Satisfied	934,904	(934,904)	--	--
<b>Revenues:</b>				
Program Revenues	420,566	--	420,566	337,885
Royalties	537,439	--	537,439	208,446
Sales	90,404	--	90,404	64,836
Other	2,254	1,431	3,685	4,349
<b>Total Support and Revenues</b>	<b>4,737,225</b>	<b>151,333</b>	<b>4,888,558</b>	<b>4,676,873</b>
<b>Expenses:</b>				
Program Services:				
Tortuguero Research and Conservation	625,533	--	625,533	518,662
Panama Research and Conservation	505,247	--	505,247	512,582
International Programs	81,068	--	81,068	78,585
Lighting and Predation Programs	1,150,888	--	1,150,888	1,531,600
Florida Programs	888,079	--	888,079	844,310
Barrier Island Center	142,336	--	142,336	140,485
Supporting Activities:				
General and Administrative	288,188	--	288,188	247,588
Development	312,717	--	312,717	316,026
Cost of Sales	41,927	--	41,927	35,936
<b>Total Expenses</b>	<b>4,035,983</b>	<b>--</b>	<b>4,035,983</b>	<b>4,225,774</b>
<b>Excess of Support and Revenues Over Expenses</b>	<b>701,242</b>	<b>151,333</b>	<b>852,575</b>	<b>451,099</b>
Net Investment Return	2,790	(325,788)	(322,998)	309,678
<b>Change in Net Assets</b>	<b>704,032</b>	<b>(174,455)</b>	<b>529,577</b>	<b>760,777</b>
Net Assets, beginning of year	2,214,856	3,967,514	6,182,370	5,421,593
Net Assets, end of year	\$ 2,918,888	\$ 3,793,059	\$ 6,711,947	\$ 6,182,370

See accompanying notes.

**Statement of Cash Flows**  
**For the Year Ended December 31, 2022**  
(with summarized comparative information for 2021)  
**Sea Turtle Conservancy, Inc.**

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 529,577	\$ 760,777
Adjustments:		
Depreciation	41,506	40,684
Investment Return - Reinvested	(21,105)	(23,416)
Net (Gains) / Loss on Investments	352,010	(281,835)
Contribution for Long Term Investment	(12,489)	(87,904)
Changes in:		
Receivables	(355,019)	(90,776)
Prepays & Deposits	(579)	(1,085)
Inventories	3,856	(1,104)
Accounts Payable	10,109	5,457
Accrued Liabilities	13,088	10,594
Refundable Advance	8,967	(121,354)
Agency Deposits	16,755	41,878
<b>Net Cash Provided by (Used In) Operating Activities</b>	<b>586,676</b>	<b>251,916</b>
Cash Flows from Investing Activities:		
Investments Liquidated	239,749	271,911
Investments Purchased	(400,000)	(329,707)
Purchase of Structures and Equipment	(13,168)	(16,733)
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>(173,419)</b>	<b>(74,529)</b>
Cash Flows from Financing Activities:		
Contribution for Long Term Investment	15,309	87,904
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b>15,309</b>	<b>87,904</b>
<b>Net Change in Cash and Equivalents</b>	<b>428,566</b>	<b>265,291</b>
<b>Cash, Beginning of Year</b>	<b>3,450,819</b>	<b>3,185,528</b>
<b>Cash, End of Year</b>	<b>\$ 3,879,385</b>	<b>\$ 3,450,819</b>

**Disclosures**

Cash is reported on Statement of Financial Position as follows:

Cash	\$ 3,693,540	\$ 2,988,959
Assets Restricted to Long-Term Purposes: Cash	185,845	461,860
<b>Total</b>	<b>\$ 3,879,385</b>	<b>\$ 3,450,819</b>

See accompanying notes.

**Statement of Functional Expenses**  
**For the Year Ended December 31, 2022**  
(with summarized comparative information for 2021)  
**Sea Turtle Conservancy, Inc.**

	2022										2021
	Tortuguero Research And Conservation	Panama Research and Conservation	International Programs	Lighting and Predation Programs	Florida Programs	Barrier Island Center	General And Administrative	Development	Cost of Sales	Totals	Totals
Advertising	\$ --	\$ --	\$ --	\$ --	\$ 300	\$ --	\$ 200	\$ 2,099	\$ --	\$ 2,599	\$ 2,373
Communications	6,136	2,451	534	6,116	10,199	1,238	2,633	13,503	300	43,110	53,896
Cost of Items Sold	12,175	--	--	--	--	15,572	--	--	15,307	43,054	28,963
Depreciation	16,517	8,205	1,407	--	15,377	--	--	--	--	41,506	40,685
Donations	2,161	--	1,500	--	1,000	5,000	--	--	--	9,661	8,614
Operations, Repairs & Maintenance	28,237	27,676	--	144	6,780	--	4,105	7,392	341	74,675	70,785
Food	64,007	56,475	--	--	--	--	--	3,872	--	124,354	90,816
Grants	--	--	--	692,520	334,068	--	--	--	--	1,026,588	1,406,776
Insurance	8,326	--	--	--	1,809	--	13,380	--	--	23,515	20,694
Legal and Professional	2,800	24,200	--	--	50	--	19,950	--	--	47,000	31,468
Materials and Supplies	35,335	26,806	5,557	16,077	25,261	11,409	5,318	26,404	1,017	153,184	145,502
Office Expenses	4,682	2,971	111	--	1,328	3,989	1,918	19,431	1,503	35,933	34,969
Payroll and Personnel	292,710	299,397	37,517	356,222	361,895	92,768	208,451	169,421	17,860	1,836,241	1,746,900
Postage and Freight	12,545	1,518	102	1,459	10,026	1,102	1,278	26,964	4,661	59,655	60,468
Printing and Publications	406	104	1,837	2,542	9,811	--	--	14,997	--	29,697	30,346
Rent and Facilities Use	13,161	15,746	1,398	17,770	19,200	6,711	16,492	8,489	827	99,794	100,311
Satellite Transmitter Airtime	5,792	12	5,713	--	28,458	1,330	--	--	--	41,305	30,163
Tagging Supplies and Payments	24,178	9,387	7,400	--	25,817	--	--	--	--	66,782	37,345
Technical Consultants	53,484	--	--	42,182	7,140	1,890	--	7,922	--	112,618	161,613
Travel, Meetings, and Training	32,476	29,979	17,763	13,600	27,350	318	11,859	11,092	--	144,437	104,309
Utilities	10,405	320	229	2,256	2,210	1,009	2,604	1,131	111	20,275	18,778
<b>Total Expenses</b>	<b>\$ 625,533</b>	<b>\$ 505,247</b>	<b>\$ 81,068</b>	<b>\$ 1,150,888</b>	<b>\$ 888,079</b>	<b>\$ 142,336</b>	<b>\$ 288,188</b>	<b>\$ 312,717</b>	<b>\$ 41,927</b>	<b>\$ 4,035,983</b>	<b>\$ 4,225,774</b>

See accompanying notes.

**Notes to Financial Statements**  
**December 31, 2022**  
**Sea Turtle Conservancy, Inc.**

**NOTE 1 – Summary of Significant Accounting Policies**

Entity

Sea Turtle Conservancy, Inc. (the Corporation) is a nonprofit corporation organized under the Florida Not-For-Profit Corporation Act. The Corporation is operated exclusively for charitable, scientific and educational purposes; primarily the study, conservation and preservation of marine sea turtles and tropical habitat.

Tax Status

The Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and does not earn any unrelated business taxable income. Therefore, no provision for income taxes is reflected in the accompanying financial statements. In addition, the Corporation qualifies for the charitable contributions deduction and has been classified by the Internal Revenue Service as an organization that is not a private foundation.

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting and are presented using accounting principles generally accepted in the United States of America, as applicable for not-for-profit corporations. (U.S. GAAP)

Cash

Cash consists of cash on hand, checking, savings, and money market accounts.

Receivables

Receivables consist primarily of unconditional promises in the form of cost-reimbursement grants and general donations. The Corporation records receivables at net realizable value using the allowance method. No allowance is provided since all receivables are deemed fully collectible. No discount is computed since all amounts are expected to be received in the next fiscal year.

Inventories

Inventories, consisting of supplies, merchandise for sale, and donor gifts, are stated at the lower of cost or market using the first-in, first-out (FIFO) method of determining cost.

Investments

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

Level 1 – Quoted prices in active markets for identical assets accessed at the measurement date.

Level 2 – Observable inputs other than quoted prices. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability.



**Notes to Financial Statements**  
**December 31, 2022**  
**Sea Turtle Conservancy, Inc.**

**NOTE 1 – Summary of Significant Accounting Policies (continued)**

Investments (concluded)

The Corporation's primary investment objective is the achievement of a rate of return sufficient to generate \$100,000 per year to fund the scientific director position from the Clay Family Scientific Director Endowment (the Clay Endowment). To achieve this objective, the Corporation hired financial advisors at RBC Fund Management to invest the majority of the assets of the Clay Endowment in equities that have historically generated a higher rate of return. Because equity securities carry a higher risk profile, the Corporation invests the remainder of its portfolio in fixed income securities and cash. This investment approach is intended to achieve the following objectives:

- (1) protect in perpetuity the purchasing power of endowment principal;
- (2) achieve superior long-term investments through a diversified portfolio; and
- (3) ensure a predictable and inflation-adjusted level of spending for programs and activities.

Donor-restricted net investment income whose restrictions are met within the same reporting period are reported as increases in unrestricted net assets.

Land, Structures and Equipment

Land, structures and equipment over \$2,000 are valued at cost if purchased, or estimated fair value at the date of donation. Structures and equipment are depreciated using the straight-line method over estimated useful lives of 10 to 25 and 5 years, respectively.

Management reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is measured by comparing the carrying amount of the asset to the sum of expected future cash flows (undiscounted and without interest charges) resulting from use of the asset and its eventual disposition.

Agency Deposits

From time to time, the Corporation holds funds as an agent on behalf of organizations with a similar mission. The other organizations approve the use of the funds. When funds are used to pay for the Corporation's programs, revenues are recognized to the extent that expenditures are incurred, and the liability is reduced. If funds are used to support programs provided by other entities, the liability is reduced with no recognition of revenues or expenses.

Net Assets

The Corporation's net assets, the excess of assets over liabilities, are reported in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

*Net Assets With Donor Restrictions* are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions. The Corporation's unspent contributions are included in this class if the donor limited their use. This class also includes its donor-restricted endowment fund. When a donor's restriction is satisfied, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

*Net Assets Without Donor Restrictions* are available to support operations. The only limits of these net assets are the broad limits resulting from the nature of the organization.

Endowment Funds

Generally accepted accounting principles define an endowment fund as an established fund of cash, securities or other assets to provide income for the maintenance of a not-for-profit organization (NPO). The use of the assets of the fund may be restricted based on 1) the presence or absence of donor restrictions, or 2) the provisions of state law. In addition, the Board of an NPO may earmark a portion of its unrestricted net assets as a board-designated endowment to be invested to provide income for the NPO's operations and programs. The Corporation does not currently hold any board designated endowments.

**Notes to Financial Statements**  
**December 31, 2022**  
**Sea Turtle Conservancy, Inc.**

**NOTE 1 – Summary of Significant Accounting Policies (continued)**

Endowment Funds (concluded)

The Corporation holds endowment assets in three funds. See Notes 7 and 8 for further information.

The donor to the Clay Family Scientific Director Endowment provided clear direction on the use of endowed assets as more fully described in Note 7.

The General and Randgaard Endowments consist of contributions from a variety of donors who have provided no restrictions on the use of investment return.

The Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA), includes the following provision: *Unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the institution.* The Corporation has interpreted FUPMIFA to require investment earnings in excess of the fair value of the original gift to be treated as donor restricted net assets until appropriated for expenditure by the Board of Directors.

Revenue Recognition - Contributions

*Measurement.* Contributions are measured at fair value at the date of donation.

*Materials.* Donated materials and equipment, if any, are reflected as contributions in the accompanying financial statements at their estimated fair values at date of receipt.

*Services and Facilities.* Contributions of facilities, if any, are recorded at their estimated fair values on the date the contribution is received. Contributions of services are recognized when received if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Although the Corporation received significant contributions of time from its Board of Directors, none of these services were recorded since they did not meet the criteria for recognition.

*Restricted Contributions.* The Corporation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. However, donor-restricted contributions whose restrictions are met within the same reporting period are reported as unrestricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as "net assets released from restrictions." Investment income and gains restricted by donors are reported as increases in net assets without donor restriction if the restrictions are met in the same reporting period.

*Conditional Contributions.* Conditional contributions are recognized when the condition has been substantially met. Amounts received before the conditions have been met are reported as refundable advance. Certain grants are structured as cost reimbursement contracts. The Corporation recognizes contribution revenue as an increase in net assets without donor restrictions when it incurs allowable costs. The Corporation reports refundable advance as a liability to the extent that it receives funding before allowable costs are incurred. When the Corporation incurs costs before reimbursement is made, the Corporation records grants receivable.

Revenue Recognition – Contracts with Customers

Program service revenues are earned and recognized at the time the service is rendered. There are no significant contract assets or liabilities reported at year end.

Promises to Give

The Corporation provides grants to various organizations under the State of Florida Sea Turtle Grants Program and the National Fish and Wildlife Foundation Lighting Program. The contracts for these grants provide for an initial payment upon approval of the award and for subsequent payments after the Corporation receives agreed upon deliverables. These subsequent payments are considered conditional promises to give and are recorded when the deliverables are met.

**Notes to Financial Statements**  
**December 31, 2022**  
**Sea Turtle Conservancy, Inc.**

**NOTE 1 – Summary of Significant Accounting Policies (continued)**

Functional Allocation of Expenses

*Allocation.* Expenses are allocated to the various functional categories based on the purpose achieved by each expenditure. Payroll expenses of employees whose time may benefit more than one activity are allocated based on the percentage of time devoted to each function. Rent and utilities of the administrative offices in Gainesville, Florida, are allocated based on the percentage of time employees devote to each function.

*Tortuguero Research and Conservation* – These expenses include the costs of sea turtle research and conservation based in Tortuguero, Costa Rica. Emphasis is centered on the local populations of green and leatherback turtles. This includes tagging and educational activities, research grants, fellowships and other related expenses. The project also includes a research assistantship program that provides training to aspiring biologists, particularly from Latin America and the Caribbean.

*Panama Research and Conservation* – These expenses include the costs of a collaborative sea turtle research and conservation initiative based at Bocas del Toro on Panama's north Caribbean coast. Modeled after STC's Tortuguero program, the purpose of the Panama project is to study, protect and recover local populations of leatherback and hawksbill turtles, both of which nest in globally significant numbers in the region. The project includes costs related to the ongoing monitoring, protection and education activities at Chiriqui Beach, Playa Larga, Red Beach, Escudo de Veraguas, Soropta, Colon, Bluff Beach and the Zapatilla Cays.

*International Programs* – These expenses include costs of programs to protect sea turtles by expanding conservation, education and policy initiatives in a variety of activities throughout the world.

*Lighting and Predation* – Initially these programs were created in response to the Deepwater Horizon oil spill in the Gulf of Mexico. Funds have been used for sea turtle mitigation in three areas: Lighting, rehabilitation, and predation. These expenses include costs associated with mitigation in lighting and predation. Lighting grants replace problem fixtures on coastal properties with shielded amber LED lights that reduce disorientation for nesting turtles and hatchlings. Predation funds concentrate on reducing the incidence of predation of turtle eggs and hatchlings.

*Florida Programs* – These expenses include costs relating to networking, education, advocacy and grant programs based in the United States to eliminate threats facing sea turtles and to preserve nesting and feeding habitats. These activities include close monitoring and shaping of policies at the local and state level impacting sea turtles and their habitats.

*Barrier Island Center* – The Barrier Island Center (BIC) is an educational center located in the heart of the Archie Carr Refuge (the Refuge) in Melbourne, Florida. The Refuge is a major nesting site for sea turtles. The BIC provides a focal point for the Refuge and the associated barrier island by providing exhibit space, a presentation hall, and ongoing educational programs that promote stewardship of the area's fragile natural resources. Through a partnership with the Brevard County Environmentally Endangered Lands Program, STC oversees and conducts the educational programs offered at the BIC, and manages a small gift shop. The expenses for the Center include costs related to managing the gift shop, as well as costs related to the educational programs.

*General and Administrative* – This category includes all expenses that provide governance, oversight, business and financial management, financial recordkeeping, budgeting, legal, and human resource management services.

*Development Expenses* – Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. This category includes the costs of publicizing, maintaining donor lists, conducting fund-raising events and activities, and any other activities that solicit contributions from corporations, foundations, individuals and others.

*Costs of Sales* – These expenses include acquisition costs of items sold and other direct costs of merchandise sales that are not program related, as well as costs of direct donor benefits of special fund raising events, if any.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual results could vary from the estimates that were used.

Prior Year Information

Certain prior year information may be presented differently in order to conform to the current year presentation.

**Notes to Financial Statements**  
**December 31, 2022**  
**Sea Turtle Conservancy, Inc.**

**NOTE 1 – Summary of Significant Accounting Policies (concluded)**

Change in Accounting Policy

The Corporation implemented ASC 842 of the Financial Accounting Standards Board, *Leases*. This standard requires recognition of lease assets and liabilities and measurement using the facts and circumstances that existed at the period of implementation. Implementation of this new accounting standard did not require any adjustments to previously reported information. See Note 11 for more information.

**NOTE 2 – Liquidity and Availability**

Financial assets available for general expenditure are all financial assets without donor or other restrictions limiting their use. Financial assets consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
<b>Financial Assets</b>		
Cash	\$ 3,693,540	\$ 2,988,959
Other Investments	--	37,592
Receivables	700,870	345,851
Assets Held for Long-Term Investment:		
Cash	185,845	461,860
Investments	2,386,400	2,519,462
Receivables	--	2,820
<b>Total Financial Assets</b>	<u><b>6,966,655</b></u>	<u><b>6,356,544</b></u>
Donor restricted for endowment funds (Note 7)	<u>(2,572,245)</u>	<u>(2,984,142)</u>
<b>Amounts available for general expenditure within one year</b>	<u><b>\$ 4,394,410</b></u>	<u><b>\$ 3,372,402</b></u>

The Corporation has structured its financial assets to be available as its general expenditures and liabilities come due. The Corporation invests excess financial assets in various mutual funds, Treasury Bills and Treasury Notes. In addition, the Corporation generally does not experience periods of cash shortages and, therefore, has not established short-term financing options.

**NOTE 3 – Receivables**

Receivables consist of the following:

	<u>2022</u>	<u>2021</u>
Contributions and Royalties	\$ 383,282	\$ 57,575
Cost Reimbursement Grants	160,883	205,983
Program Services Contract	150,000	75,000
Other	6,705	10,113
<b>Totals</b>	<u><b>\$ 700,870</b></u>	<u><b>\$ 348,671</b></u>

**NOTE 4 – Structures and Equipment**

Structures and Equipment consists of the following:

	<u>2022</u>	<u>2021</u>
Structures	\$ 692,750	\$ 692,750
Right-of-Use Asset – US Administrative Office	76,198	129,796
Equipment	380,865	388,325
Total	1,149,813	1,210,871
Accumulated Depreciation	<u>(884,726)</u>	<u>(863,848)</u>
<b>Net</b>	<u><b>\$ 265,087</b></u>	<u><b>\$ 347,023</b></u>

Approximately 95% of the structures and 39% of the equipment are located in Costa Rica. Approximately 5% of the structures and 10% of the equipment are located in Panama.

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**NOTE 5 – Investments**

Investments are comprised of the following:

	<u>2022</u>	<u>2021</u>
<b>Level I – Quoted Prices in Active Markets:</b>		
Cash – insured by FDIC	\$ 28,888	\$ 35,973
Mutual Funds – Equity	20,952	135,198
US Equity Securities	1,238,236	1,322,351
International Equity Securities	98,460	248,353
Taxable Fixed Income	472,444	539,099
Real Estate Trust	27,420	76,080
<b>Level II – Other Observable Inputs:</b>		
U.S. Government Debt Securities	<u>500,000</u>	<u>200,000</u>
<b>Total Investments</b>	<b><u>\$ 2,386,400</u></b>	<b><u>\$ 2,557,054</u></b>

U.S. government obligations are valued using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions. However, the Corporation will report them at face value when the differences are trivial. Investments are presented on the schedule of financial position as follows:

Other Investments	\$ --	\$ 37,592
Investments Restricted to Long-Term Purposes	<u>2,386,400</u>	<u>2,519,462</u>
<b>Total Investments</b>	<b><u>\$ 2,386,400</u></b>	<b><u>\$ 2,557,054</u></b>

Investment return consists of the following:

Investment Income	\$ 43,204	\$ 41,978
Management and Investment Fees	<u>(14,192)</u>	<u>(14,135)</u>
Investment Income, Net of Fees	29,012	27,843
Net Investment Gains/(Losses)	<u>(352,010)</u>	<u>281,835</u>
<b>Total Investment Return</b>	<b><u>\$ (322,998)</u></b>	<b><u>\$ 309,678</u></b>

**NOTE 6 – Refundable Advances**

The Corporation held \$264,458 and \$255,491 for direct costs for the lighting program which had not been expended as of December 31, 2022 and 2021, respectively. Contribution revenue will be recognized as funds are expended in future periods.

**NOTE 7 – Net Assets With Donor Restrictions**

Net assets with donor imposed restrictions consist of the following:

	<u>2022</u>	<u>2021</u>
Endowment Funds Invested (see Note 8):		
Clay Family Scientific Director Endowment	\$ 1,778,731	\$ 2,166,531
Lisa Jo Randgaard Endowment	122,971	107,650
General Endowment	<u>670,543</u>	<u>707,141</u>
Total endowment funds	2,572,245	2,981,322
Contributions receivable restricted for Endowment	--	2,820
Donations restricted to expenditure for:		
International Programs	121,302	46,916
Sea Turtle Grants Program	914,155	736,732
Other Florida Programs	<u>185,357</u>	<u>199,724</u>
Total purpose restricted contributions	1,220,814	983,372
<b>Total net assets with donor restrictions</b>	<b><u>\$ 3,793,059</u></b>	<b><u>\$ 3,967,514</u></b>

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**NOTE 7 – Net Assets With Donor Restrictions (concluded)**

The original donor to the Clay Family Scientific Director Endowment directed that \$100,000 per year be withdrawn from the investments of the fund to provide operating cash for the expenses of the scientific director position. As a result, the Corporation does not account for investment return separately from the original gift amounts.

For the Randgaard Fund, at December 31, 2022 and 2021, original gifts, less any amounts subsequently released from restrictions, were \$121,242 and \$108,753, respectively. For the General Fund original gift amounts were \$635,556 and \$635,556 at December 31, 2022 and 2021, respectively. Fund balances in excess of these amounts represent accumulated investment return net of any distributions. The Corporation holds no underwater endowment funds.

**NOTE 8 – Endowment Funds**

Endowment funds are comprised of donor-restricted contributions and accumulated earnings. There are no board-designated endowment funds. The changes in endowment fund balances are as follows:

	<u>2022</u>	<u>2021</u>
<b>Balance – January 1</b>	<b>\$ 2,981,322</b>	<b>\$ 2,691,827</b>
Contributions	15,309	87,904
Net Investment Gain/(Loss)	(354,817)	276,285
Interest and Dividends Income, net of fees	30,431	25,306
Grant Disbursements	(100,000)	(100,000)
<b>Balance – December 31</b>	<b><u>\$ 2,572,245</u></b>	<b><u>\$ 2,981,322</u></b>

**NOTE 9 – Sea Turtle Grants Program**

Section 320.08058(18), Florida Statutes, identifies the Corporation as the recipient of certain fees from the sale of the sea turtle specialty license plate. These fees are to be used to fund sea turtle research and education programs. Legislation states that an amount not to exceed 10% of total annual revenue from the sale of the plate may be used for marketing the sea turtle license plate and for administrative costs directly associated with the grant programs. The Corporation writes and publishes procedures for grant applications and appoints a technical advisory committee to award grants. The following table displays the activity of these funds:

	<u>Grants</u>	<u>Administration &amp; Marketing</u>	<u>Total</u>
<b>Balance at December 31, 2020</b>	<b>\$ 560,595</b>	<b>\$ 44,679</b>	<b>\$ 605,274</b>
State Revenue	493,469	246,484	739,953
Interest Revenue	29	--	29
Expenses	--	(184,053)	(184,053)
Grants Awarded	(424,471)	--	(424,471)
<b>Balance at December 31, 2021</b>	<b>629,622</b>	<b>107,110</b>	<b>736,732</b>
State Revenue	504,993	252,247	757,240
Interest Revenue	29	--	29
Expenses	--	(210,788)	(210,788)
Grants Awarded	(369,058)	--	(369,058)
<b>Balance at December 31, 2022</b>	<b><u>\$ 765,586</u></b>	<b><u>\$ 148,569</u></b>	<b><u>\$ 914,155</u></b>

Revenues are reported as Donor Restricted Support from Governmental Grants and expenses are reported in the appropriate natural classifications under the Florida Programs. Ending balances are reported as net assets with donor restrictions.

**NOTE 10 – Grants Commitments**

At December 31, 2022, the Corporation had signed sea turtle grants program contracts (see Note 9) committing to \$159,237, that will be remitted as deliverables are met. In addition, at December 31, 2022, the Corporation committed to \$232,420, of grants related to the Lighting and Rehabilitation programs. Commitments under both of these programs will be satisfied using donor restricted net assets or refundable advances.

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**NOTE 11 – Leases**

*Gainesville, Florida.* In May 2019, the Corporation entered into a five-year lease for corporate office space in Gainesville, Florida. Monthly rent payments are \$4,950 plus a variable lease payment of an estimate of ad valorem tax which is adjusted annually. The lease ends April 30, 2024. The lease contains options to renew; however, the lease also gives both parties the option to terminate with a 60-day notice. Rental payments including variable lease payments were \$70,540 and \$69,599 for 2022 and 2021, respectively.

The Corporation implemented Accounting Standards Update 2016-02, *Leases*, effective January 1, 2021 with a prior period adjustment increasing an operating lease right-of-use asset and a lease liability for \$129,796. This adjustment had no effect on net assets or on the change in net assets. The lease liability was computed using a risk-free rate of 5.5% as an estimate of the Corporation’s incremental borrowing rate.

Future minimum lease payments are reconciled to lease liability as follows:

2023	\$ 59,400
2024	19,800
Total Payments	79,200
Amount representing interest	(3,002)
<b>Lease Liability at December 31, 2022</b>	<b>\$ 76,198</b>

*Costa Rica and Panama.* The Corporation also leases office space in Costa Rica and in Panama where it conducts substantial programmatic operations. The Corporation does not compute a right-of-use asset or lease liability in keeping with the terms and dollar value of these leases. Rental payments were \$25,866 and \$23,052 for 2022 and 2021, respectively.

**NOTE 12 – Defined Contribution Retirement Plan**

The Corporation offers a defined contribution retirement plan to all employees who work at least 1,000 hours in a year. The plan operates under Section 403(b) of the Internal Revenue Code. The Corporation contributes 11% of an eligible employee's payroll with complete vesting after three years of service. Total net costs of \$103,631 and \$89,730 are included in payroll and personnel for 2022 and 2021, respectively.

**NOTE 13 – Concentrations of Revenue Sources and Credit Risks**

For the years ended December 31, 2022 and 2021, approximately 15% and 17%, respectively, of the Corporation’s total support and revenue were provided by the State of Florida through the Sea Turtle Grant Program.

For the years ended December 31, 2022 and 2021, approximately 25% and 36%, respectively, of the Corporation’s total support and revenue were provided by the National Fish and Wildlife Foundation. The amount due from these grants was \$160,883 and \$205,983 at December 31, 2022 and 2021, respectively

For the years ended December 31, 2022 and 2021, approximately 6% and 6%, respectively, of the Corporation’s total support and revenue was provided by the Minera Panama Agreement. The amount due on these contracts was \$150,000 and \$75,000 at December 31, 2022 and 2021, respectively.

Cash and Cash Equivalents include cash in federally insured banks and investments in money market funds. At December 31, 2022 and 2021, the Company held approximately \$2,025,000 and \$2,800,000, respectively, in excess of FDIC insured limits. The Corporation has not experienced any losses in such accounts.

**NOTE 14 – Donated Services**

The Corporation received 4,917 and 3,066 hours of volunteer services in 2022 and 2021, respectively. At \$29.41 and \$27.68 per hour in 2022 and 2021, this amounts to \$144,609 and \$84,867 of additional contributions and program service expenses for the years ended December 2022 and 2021, respectively. This hourly rate is the estimated value per hour of volunteer time for Florida as estimated by Independent Sector. For more information on the estimated value per hour, see [http://www.independentsector.org/volunteer\\_time](http://www.independentsector.org/volunteer_time).

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**NOTE 15 – Conditional Contributions**

The Corporation is party to three agreements with the National Fish and Wildlife Commission that are accounted for as conditional contributions. Recognition of contribution revenue is conditioned on the expenditure of allowable costs and achievement of certain metrics. The following provides information on the amount recognized prior to December 31, 2022, the amount available by the period of availability, and the total of conditional contributions:

	<u>2022</u>
Amounts recognized – conditions met	\$ 3,438,690
Unrecognized:	
Available until December 31, 2024	98,778
Available until December 31, 2025	1,892,546
Available until December 31, 2027	788,617
<b>Total</b>	<b>\$ 6,218,631</b>

**NOTE 16 – Subsequent Events**

The Corporation has evaluated events and transactions for potential recognition or disclosure through August 11, 2023, which is the date the financial statements were available to be issued.