

# Sea Turtle Conservancy, Inc.

## Financial Statements And Independent Auditors' Report

December 31, 2020

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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, 2020, 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, 2020, 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 Auditor's 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.
- 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 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 Organization's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Kattell and Company, P.L.*

September 14, 2021

*“Not everything that counts can be counted, and not everything that can be counted counts.”*  
- Albert Einstein

**Statement of Financial Position**  
**December 31, 2020**  
(with summarized comparative information for 2019)  
**Sea Turtle Conservancy, Inc.**

|  | <u>2020</u>                | <u>2019</u>                |
|--|----------------------------|----------------------------|
| <b>Assets</b>                            |                            |                            |
| Cash                                     | \$ 2,645,630               | \$ 1,690,925               |
| Investments                              | 42,078                     | 29,945                     |
| Receivables                              | 199,125                    | 739,153                    |
| Prepays and Deposits                     | 21,271                     | 22,626                     |
| Inventories                              | 41,482                     | 39,691                     |
| Assets Restricted to Long-Term Purposes: |                            |                            |
| Cash                                     | 539,898                    | 153,091                    |
| Investments                              | 2,151,929                  | 2,256,170                  |
| Receivables                              | 58,770                     | 56,250                     |
| Structures and Equipment, Net            | 241,178                    | 271,159                    |
| Land                                     | <u>25,300</u>              | <u>25,300</u>              |
| <b>Total Assets</b>                      | <b><u>\$ 5,966,661</u></b> | <b><u>\$ 5,284,310</u></b> |
| <b>Liabilities and Net Assets</b>        |                            |                            |
| Liabilities:                             |                            |                            |
| Accounts Payable                         | \$ 24,812                  | \$ 51,271                  |
| Accrued Liabilities                      | 130,012                    | 118,122                    |
| Refundable Advance                       | 376,845                    | 257,630                    |
| Agency Deposits                          | <u>13,399</u>              | <u>36,726</u>              |
| Total Liabilities                        | 545,068                    | 463,749                    |
| Net Assets:                              |                            |                            |
| Without Donor Restrictions               |                            |                            |
| Invested in Property and Equipment       | 266,478                    | 296,459                    |
| Other                                    | <u>1,639,387</u>           | <u>1,408,841</u>           |
| Total Without Donor Restrictions         | 1,905,865                  | 1,705,300                  |
| With Donor Restrictions                  | <u>3,515,728</u>           | <u>3,115,261</u>           |
| Total Net Assets                         | <u>5,421,593</u>           | <u>4,820,561</u>           |
| <b>Total Liabilities and Net Assets</b>  | <b><u>\$ 5,966,661</u></b> | <b><u>\$ 5,284,310</u></b> |

See accompanying notes.

**Statement of Activities**  
**For the Year Ended December 31, 2020**  
(with summarized comparative information for 2019)  
**Sea Turtle Conservancy, Inc.**

|   | 2020                             |                               |                     | 2019<br>Total       |
|---|----------------------------------|-------------------------------|---------------------|---------------------|
|   | Without<br>Donor<br>Restrictions | With<br>Donor<br>Restrictions | 2020<br>Total       |                     |
| <b>Support:</b>                                     |                                  |                               |                     |                     |
| Government Grants                                   | \$ 160,542                       | \$ 681,960                    | \$ 842,502          | \$ 705,656          |
| Non-Government Grants                               | 1,157,093                        | 166,500                       | 1,323,593           | 1,287,371           |
| Contributions                                       | 424,486                          | 135,907                       | 560,393             | 646,283             |
| Membership Dues                                     | 312,586                          | --                            | 312,586             | 253,158             |
| In-Kind Contributions                               | 50                               | --                            | 50                  | 661                 |
| Special Events                                      | 51,370                           | --                            | 51,370              | 30,173              |
| Net Assets Released from Restrictions:              |                                  |                               |                     |                     |
| Purpose Restrictions Satisfied                      | 816,112                          | (816,112)                     | --                  | --                  |
| <b>Total Support</b>                                | <b>2,922,239</b>                 | <b>168,255</b>                | <b>3,090,494</b>    | <b>2,923,302</b>    |
| <b>Revenues:</b>                                    |                                  |                               |                     |                     |
| Program Revenues                                    | 174,409                          | --                            | 174,409             | 425,234             |
| Royalties   | 383,740                          | --                            | 383,740             | 224,568             |
| Sales   | 77,675                           | --                            | 77,675              | 132,381             |
| Other   | 6,564                            | 258                           | 6,822               | 7,459               |
| <b>Total Revenues</b>                               | <b>642,388</b>                   | <b>--</b>                     | <b>642,646</b>      | <b>789,642</b>      |
| <b>Total Support and Revenues</b>                   | <b>3,564,627</b>                 | <b>168,513</b>                | <b>3,733,140</b>    | <b>3,712,944</b>    |
| <b>Expenses:</b>                                    |                                  |                               |                     |                     |
| Program Services:                                   |                                  |                               |                     |                     |
| Tortuguero Research and Conservation                | 535,775                          | --                            | 535,775             | 590,500             |
| Panama Research and Conservation                    | 347,279                          | --                            | 347,279             | 429,887             |
| International Programs                              | 14,859                           | --                            | 14,859              | 97,310              |
| Lighting and Predation Programs                     | 941,724                          | --                            | 941,724             | 901,533             |
| Florida Programs                                    | 917,728                          | --                            | 917,728             | 1,010,673           |
| Barrier Island Center                               | 97,140                           | --                            | 97,140              | 149,056             |
| Supporting Activities:                              |                                  |                               |                     |                     |
| General and Administrative                          | 201,904                          | --                            | 201,904             | 206,134             |
| Development   | 244,687                          | --                            | 244,687             | 220,584             |
| Cost of Sales                                       | 54,815                           | --                            | 54,815              | 40,055              |
| <b>Total Expenses</b>                               | <b>3,355,911</b>                 | <b>--</b>                     | <b>3,355,911</b>    | <b>3,645,732</b>    |
| <b>Excess of Support and Revenues Over Expenses</b> | <b>208,716</b>                   | <b>168,513</b>                | <b>377,229</b>      | <b>67,212</b>       |
| Net Investment Return                               | (8,151)                          | 231,954                       | 223,803             | 260,910             |
| <b>Change in Net Assets</b>                         | <b>200,565</b>                   | <b>400,467</b>                | <b>601,032</b>      | <b>328,122</b>      |
| <b>Net Assets, beginning of year</b>                | <b>1,705,300</b>                 | <b>3,115,261</b>              | <b>4,820,561</b>    | <b>4,492,439</b>    |
| <b>Net Assets, end of year</b>                      | <b>\$ 1,905,865</b>              | <b>\$ 3,515,728</b>           | <b>\$ 5,421,593</b> | <b>\$ 4,820,561</b> |

See accompanying notes.

**Statement of Cash Flows**  
**For the Year Ended December 31, 2020**  
(with summarized comparative information for 2019)  
**Sea Turtle Conservancy, Inc.**

|  | <u>2020</u>         | <u>2019</u>         |
|--|---------------------|---------------------|
| Cash Flows from Operating Activities:                      |                     |                     |
| Change in Net Assets                                       | \$ 601,032          | \$ 328,122          |
| Adjustments:   |                     |                     |
| Depreciation   | 40,168              | 46,539              |
| Investment Return - Reinvested                             | (23,349)            | (81,389)            |
| Contribution for Long Term Investment                      | (75,575)            | (26,160)            |
| Net (Gains) / Loss on Investments                          | (193,346)           | (202,006)           |
| Changes in:  |                     |                     |
| Receivables  | 537,508             | (647,840)           |
| Prepays & Deposits   | 1,355               | 3,977               |
| Inventories  | (1,791)             | (4,254)             |
| Accounts Payable   | (26,459)            | 15,578              |
| Accrued Liabilities  | 11,890              | 18,848              |
| Refundable Advance   | 119,215             | (194,408)           |
| Agency Deposits  | (23,327)            | 36,726              |
| <b>Net Cash Provided by (Used In) Operating Activities</b> | <b>967,321</b>      | <b>(706,267)</b>    |
| Cash Flows from Investing Activities:                      |                     |                     |
| Investments Liquidated                                     | 539,062             | 782,177             |
| Investments Purchased                                      | (230,259)           | (775,353)           |
| Purchase of Structures and Equipment                       | (10,187)            | (69,479)            |
| <b>Net Cash Provided By (Used In) Investing Activities</b> | <b>298,616</b>      | <b>(62,655)</b>     |
| Cash Flows from Financing Activities:                      |                     |                     |
| Contribution for Long Term Investment                      | 75,575              | 26,160              |
| <b>Net Cash Provided By (Used In) Financing Activities</b> | <b>75,575</b>       | <b>26,160</b>       |
| <b>Net Change in Cash and Equivalents</b>                  | <b>1,341,512</b>    | <b>(742,762)</b>    |
| <b>Cash, Beginning of Year</b>                             | <b>1,844,016</b>    | <b>2,586,778</b>    |
| <b>Cash, End of Year</b>                                   | <b>\$ 3,185,528</b> | <b>\$ 1,844,016</b> |

**Disclosures**

Cash is reported on Statement of Financial Position as follows:

|   |                     |                     |
|---|---------------------|---------------------|
| Cash  | \$ 2,645,630        | \$ 1,690,925        |
| Assets Restricted to Long-Term Purposes: Cash | 539,898             | 153,091             |
| <b>Total</b>                                  | <b>\$ 3,185,528</b> | <b>\$ 1,844,016</b> |

See accompanying notes.

**Statement of Functional Expenses**  
**For the Year Ended December 31, 2020**  
(with summarized comparative information for 2019)  
**Sea Turtle Conservancy, Inc.**

|                                   | 2020  |   |                           |                                       |                     |                             |                                  |                   |                  |                     | 2019                |
|-----------------------------------|---|---|---------------------------|---------------------------------------|---------------------|-----------------------------|----------------------------------|-------------------|------------------|---------------------|---------------------|
|                                   | Tortuguero<br>Research<br>And<br>Conservation | Panama<br>Research<br>and<br>Conservation | International<br>Programs | Lighting<br>and Predation<br>Programs | Florida<br>Programs | Barrier<br>Island<br>Center | General<br>And<br>Administrative | Development       | Cost of<br>Sales | Totals              | Totals              |
| Advertising                       | \$ --   | \$ --                                     | \$ --                     | \$ --                                 | \$ 3,348            | \$ --                       | \$ --                            | \$ 1,050          | \$ --            | \$ 4,398            | \$ 986              |
| Communications                    | 5,715   | 2,803                                     | 1,716                     | 6,111                                 | 10,955              | 635                         | 2,445                            | 6,076             | 273              | 36,729              | 32,900              |
| Cost of Items Sold                | 9,963   | 155                                       | --                        | --                                    | --                  | 8,681                       | --                               | --                | 16,439           | 35,238              | 67,818              |
| Depreciation                      | 16,876  | 7,965                                     | 90                        | 98                                    | 14,748              | 98                          | 98                               | 195               | --               | 40,168              | 46,539              |
| Donations                         | 3,111   | --  | --                        | 100                                   | --                  | --                          | --                               | 700               | --               | 3,911               | 11,384              |
| Operations, Repairs & Maintenance | 34,952  | 11,691                                    | --                        | 103                                   | 3,159               | --                          | 4,400                            | 6,285             | 223              | 60,813              | 90,170              |
| Food                              | 44,352  | 29,937                                    | --                        | --                                    | --                  | --                          | --                               | --                | --               | 74,289              | 97,905              |
| Grants                            | --  | --  | --                        | 465,277                               | 385,056             | --                          | --                               | --                | --               | 850,333             | 877,468             |
| Insurance                         | 8,252   | --  | --                        | --                                    | 1,685               | --                          | 10,563                           | --                | --               | 20,500              | 24,881              |
| Legal and Professional            | 4,202   | 3,224                                     | --                        | --                                    | --                  | --                          | 16,500                           | --                | --               | 23,926              | 25,171              |
| Materials and Supplies            | 22,070  | 16,331                                    | 141                       | 4,552                                 | 16,367              | 3,269                       | 3,170                            | 23,204            | 935              | 90,039              | 132,268             |
| Office Expenses                   | 4,510   | 2,002                                     | 162                       | --                                    | 406                 | 2,578                       | 1,303                            | 19,291            | 2,141            | 32,393              | 33,628              |
| Payroll and Personnel             | 267,663                                       | 218,616                                   | 9,002                     | 387,896                               | 338,288             | 73,974                      | 144,792                          | 124,779           | 26,234           | 1,591,244           | 1,553,649           |
| Postage and Freight               | 9,429   | 3,729                                     | 4                         | 1,353                                 | 11,012              | 410                         | 2,484                            | 21,899            | 6,561            | 56,881              | 55,446              |
| Printing and Publications         | 1,216   | 87  | --                        | --                                    | 11,298              | --                          | --                               | 17,918            | --               | 30,519              | 46,232              |
| Rent and Facilities Use           | 13,542  | 8,852                                     | 250                       | 22,429                                | 18,981              | 4,814                       | 13,120                           | 6,796             | 1,373            | 90,157              | 96,475              |
| Satellite Transmitter Airtime     | 495   | 570                                       | 1,582                     | --                                    | 18,829              | 2,035                       | --                               | --                | --               | 23,511              | 28,392              |
| Tagging Supplies and Payments     | 4,667   | 4,028                                     | 833                       | --                                    | 37,528              | --                          | --                               | --                | --               | 47,056              | 63,368              |
| Technical Consultants             | 59,270  | --  | --                        | 40,385                                | 21,802              | --                          | --                               | 11,187            | --               | 132,644             | 44,110              |
| Travel, Meetings, and Training    | 13,007  | 8,976                                     | 1,046                     | 10,332                                | 22,041              | --                          | 566                              | 4,403             | 450              | 60,821              | 270,224             |
| Utilities                         | 12,483  | 178                                       | 33                        | 3,088                                 | 2,225               | 646                         | 2,463                            | 904               | 186              | 22,206              | 27,958              |
| Tax Payments                      | --  | 28,135                                    | --                        | --                                    | --                  | --                          | --                               | --                | --               | 28,135              | 18,760              |
| <b>Total Expenses</b>             | <b>\$ 535,775</b>                             | <b>\$ 347,279</b>                         | <b>\$ 14,859</b>          | <b>\$ 941,724</b>                     | <b>\$ 917,728</b>   | <b>\$ 97,140</b>            | <b>\$ 201,904</b>                | <b>\$ 244,687</b> | <b>\$ 54,815</b> | <b>\$ 3,355,911</b> | <b>\$ 3,645,732</b> |

See accompanying notes.

**Notes to Financial Statements**  
**December 31, 2020**  
**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, money market accounts and certificates of deposit, if any, with original maturities of less than three months.

Receivables

Receivables include contributions, contract billings for services performed, and other receivables. The Corporation records receivables at net realizable value using the allowance method. No allowance is provided since all receivables are deemed fully collectible.

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. The Corporation invests only in debt and equity securities with readily determinable fair values. 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, 2020**  
**Sea Turtle Conservancy, Inc.**

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

Investments (concluded)

The Corporation seeks to achieve a long-term average annual rate of return between 8% and 9%, an amount sufficient to provide for inflation and a 4% annual spending rule. Return is measured based on total return, which includes investment income (interest and dividends) and realized and unrealized appreciation. To achieve the above objectives, the Corporation will invest from 30% to 45% of its portfolio in equities and from 55% to 70% in fixed income securities. Investments should seek broad market diversification and flexible reallocation to reflect varying market conditions. The Corporation's investment objectives are to:

- (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.

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 existence or absence of restriction 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, 2020**  
**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 Corporation annually appropriates for expenditure 4% of the average asset balance from the 12 previous quarters unless the appropriation would invade the principal of the funds.

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 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.

*Cost Reimbursement Contracts.* Certain government grants are structured as cost reimbursement contracts. The Corporation recognizes contribution revenue when it incurs allowable costs. The Corporation reports unearned grant revenues 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.

*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.

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 Grant. 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, 2020**  
**Sea Turtle Conservancy, Inc.**

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

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, 2020**  
**Sea Turtle Conservancy, Inc.**

**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>2020</u>         | <u>2019</u>         |
|--|---------------------|---------------------|
| <b>Financial Assets</b>  |                     |                     |
| Cash   | \$ 2,645,630        | \$ 1,690,925        |
| Other Investments  | 42,078              | 29,945              |
| Receivables  | 199,125             | 739,153             |
| Assets Held for Long-Term Investment:                            |                     |                     |
| Cash   | 539,898             | 153,091             |
| Investments  | 2,151,929           | 2,256,170           |
| Receivables  | 58,770              | 56,250              |
| <b>Total Financial Assets</b>                                    | <b>5,637,430</b>    | <b>4,925,534</b>    |
| Not available for general expenditure:                           |                     |                     |
| Donor restricted for endowment funds (Note 7)                    | (2,750,597)         | (2,465,511)         |
| <b>Amounts available for general expenditure within one year</b> | <b>\$ 2,886,833</b> | <b>\$ 2,460,023</b> |

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>2020</u>       | <u>2019</u>       |
|-----------------------------|-------------------|-------------------|
| Contributions and Royalties | \$ 98,882         | \$ 190,347        |
| Cost Reimbursement Grants   | 155,876           | 451,572           |
| Program Services Contract   | --                | 150,000           |
| Other                       | 3,137             | 3,484             |
| <b>Totals</b>               | <b>\$ 257,895</b> | <b>\$ 795,403</b> |

**NOTE 4 – Structures and Equipment**

Structures and Equipment consists of the following:

|                          | <u>2020</u>       | <u>2019</u>       |
|--------------------------|-------------------|-------------------|
| Structures               | \$ 692,750        | \$ 684,908        |
| Equipment                | 371,592           | 369,247           |
| Total                    | 1,064,342         | 1,054,155         |
| Accumulated Depreciation | (823,164)         | (782,996)         |
| <b>Net</b>               | <b>\$ 241,178</b> | <b>\$ 271,159</b> |

Approximately 95% of the structures and 46% of the equipment are located in Costa Rica. Approximately 5% of the structures and 10% of the equipment are located in Panama.

**Notes to Financial Statements**  
**December 31, 2020**  
**Sea Turtle Conservancy, Inc.**

**NOTE 5 – Investments**

Investments are comprised of the following:

|   | <u>2020</u>                | <u>2019</u>                |
|---|----------------------------|----------------------------|
| <b>Level I – Quoted Prices in Active Markets:</b> |                            |                            |
| Cash – insured by FDIC                            | \$ 105,127                 | \$ 116,423                 |
| Mutual Funds – Equity                             | 8,101                      | 575,940                    |
| US Equity Securities                              | 948,235                    | 904,009                    |
| International Equity Securities                   | 249,040                    | --                         |
| Taxable Fixed Income                              | 602,684                    | --                         |
| Commodities Trust                                 | --                         | 29,000                     |
| Real Estate Trust                                 | 80,820                     | 87,743                     |
| <b>Level II – Other Observable Inputs:</b>        |                            |                            |
| U.S. Government Debt Securities                   | <u>200,000</u>             | <u>573,000</u>             |
| <b>Total Investments</b>                          | <b><u>\$ 2,194,007</u></b> | <b><u>\$ 2,286,115</u></b> |

Investments are presented on the schedule of financial position as follows:

|  | <u>2020</u>                | <u>2019</u>                |
|--|----------------------------|----------------------------|
| Other Investments                            | \$ 42,078                  | \$ 29,945                  |
| Investments Restricted to Long-Term Purposes | <u>2,151,929</u>           | <u>2,256,170</u>           |
| <b>Total Investments</b>                     | <b><u>\$ 2,194,007</u></b> | <b><u>\$ 2,286,115</u></b> |

Investment return consists of the following:

|                                | <u>2020</u>              | <u>2019</u>              |
|--------------------------------|--------------------------|--------------------------|
| Investment Income              | \$ 41,223                | \$ 62,364                |
| Management and Investment Fees | <u>(10,766)</u>          | <u>(9,452)</u>           |
| Investment Income, Net of Fees | 30,457                   | 52,912                   |
| Net Investment Gains/(Losses)  | <u>193,346</u>           | <u>207,998</u>           |
| <b>Total Investment Return</b> | <b><u>\$ 223,803</u></b> | <b><u>\$ 260,910</u></b> |

**NOTE 6 – Refundable Advances**

The Corporation held \$376,845 and \$257,630 for direct costs for the lighting program which had not been expended as of December 31, 2020 and 2019, 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>2020</u>                | <u>2019</u>                |
|---|----------------------------|----------------------------|
| Endowment Funds Invested(see Note 8):             |                            |                            |
| Clay Family Scientific Director Endowment         | \$ 1,927,597               | \$ 1,663,758               |
| Lisa Jo Randgaard Endowment                       | 88,487                     | 81,436                     |
| General Endowment                                 | <u>675,743</u>             | <u>664,067</u>             |
| Total endowment funds                             | 2,691,827                  | 2,409,261                  |
| Contributions receivable restricted for Endowment | 58,770                     | 56,250                     |
| Donations restricted to expenditure for:          |                            |                            |
| Panama Research and Conservation                  | 19,364                     | 35,532                     |
| International Programs                            | 58,395                     | 20,678                     |
| Florida Programs                                  | <u>687,372</u>             | <u>593,540</u>             |
| Total purpose restricted contributions            | 765,131                    | 649,750                    |
| <b>Total net assets with donor restrictions</b>   | <b><u>\$ 3,515,728</u></b> | <b><u>\$ 3,115,261</u></b> |

**Notes to Financial Statements**  
**December 31, 2020**  
**Sea Turtle Conservancy, Inc.**

**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, 2020 and 2019, the amount of original gifts, less any amounts subsequently released from restrictions, were \$89,309 and \$79,984, respectively. For the General Fund original gift amounts were \$635,556 and \$635,556 at December 31, 2020 and 2019, respectively. Fund balances in excess of these amounts represent accumulated investment return net of any distributions.

**NOTE 8 – Endowment Funds**

The changes in endowment fund balances are as follows:

|  | <u>2020</u>                | <u>2019</u>                |
|--|----------------------------|----------------------------|
| <b>Balance – January 1</b>                 | <b>\$ 2,409,261</b>        | <b>\$ 2,158,962</b>        |
| Contributions                              | 75,555                     | 26,160                     |
| Net Investment Gain/(Loss)                 | 200,004                    | 190,352                    |
| Interest and Dividends Income, net of fees | 32,007                     | 58,787                     |
| Grant Disbursements                        | (25,000)                   | (25,000)                   |
| <b>Balance – December 31</b>               | <b><u>\$ 2,691,827</u></b> | <b><u>\$ 2,409,261</u></b> |

**NOTE 9 – Leases**

*Costa Rica.* The Corporation entered into a three year lease for office space in San Jose, Costa Rica in 2018 at \$1,000 per month, expiring March 8, 2021. Total rent paid for 2020 and 2019 was approximately \$12,783 and \$12,659, respectively.

*Panama.* In March 2018, the Corporation signed a two-year lease for an office space at \$875 per month. Due to COVID 19, the Corporation paid rent for only four months in 2020. Total rental payments were \$3,500 and \$10,500 for 2020 and 2019, respectively.

*Florida.* In May 2019, the Corporation entered into a five-year lease for office space. Monthly rent payments are \$5,615, to be adjusted by the change in the annual Ad Valorem Tax. The lease ends April 30, 2024. Rental payments were \$66,765 and \$63,133 for 2020 and 2019, respectively.

Future minimum lease payments for all locations are as follows:

| Year Ended<br>December 31, | Totals                   |
|----------------------------|--------------------------|
| 2021                       | \$ 69,599                |
| 2022                       | 70,638                   |
| 2023                       | 70,638                   |
| 2024                       | 23,546                   |
| <b>Totals</b>              | <b><u>\$ 234,421</u></b> |

**NOTE 10 – Commitments**

At December 31, 2020, the Corporation had signed sea turtle grants program contracts (see Note 11) committing to \$146,634 that will be remitted as deliverables are met. In addition, at December 31, 2020, the Corporation committed to \$131,094 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.

**Notes to Financial Statements**  
**December 31, 2020**  
**Sea Turtle Conservancy, Inc.**

**NOTE 11 – 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<br/>&amp; Marketing</u> | <u>Total</u>      |
|-------------------------------------|-------------------|---|-------------------|
| <b>Balance at December 31, 2018</b> | <b>\$ 540,636</b> | <b>\$ 20,786</b>                          | <b>\$ 561,422</b> |
| State Revenue                       | 435,937           | 217,718                                   | 653,655           |
| Interest Revenue                    | 273               | --  | 273               |
| Expenses                            | --                | (236,383)                                 | (236,383)         |
| Grants Awarded                      | (443,764)         | --  | (443,764)         |
| <b>Balance at December 31, 2019</b> | <b>533,082</b>    | <b>2,121</b>                              | <b>535,203</b>    |
| State Revenue                       | 441,568           | 220,534                                   | 662,102           |
| Interest Revenue                    | 221               | --  | 221               |
| Expenses                            | --                | (177,976)                                 | (177,976)         |
| Grants Awarded                      | (414,276)         | --  | (414,276)         |
| <b>Balance at December 31, 2020</b> | <b>\$ 560,595</b> | <b>\$ 44,679</b>                          | <b>\$ 605,274</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 - Florida Programs.

**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 \$77,971 and \$72,788 are included in payroll and personnel for 2020 and 2019, respectively.

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

For the years ended December 31, 2020 and 2019, approximately 18% 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, 2020 and 2019, approximately 25% and 26%, 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 \$155,876 and \$451,572 at December 31, 2020 and 2019, respectively.

For the years ended December 31, 2020 and 2019, approximately 4% and 8%, respectively, of the Corporation's total support and revenue was provided by the Minera Panama Agreement. The amount due on these contracts was \$0 and \$150,000 at December 31, 2020 and 2019, respectively.

Cash and Cash Equivalents include cash in federally insured banks and investments in money market funds. At December 31, 2020 and 2019, the Company had approximately \$2,434,000 and \$1,204,000, respectively, in excess of FDIC insured limits. The Corporation has not experienced any losses in such accounts.

**Notes to Financial Statements**  
**December 31, 2020**  
**Sea Turtle Conservancy, Inc.**

**NOTE 14 – Donated Services**

The Corporation received 2,652 and 6,433 hours of volunteer services in 2020 and 2019, respectively. At \$26.32 and \$24.93 per hour in 2020 and 2019, this amounts to \$69,801 and \$160,375 of additional contributions and program service expenses for the years ended December 2020 and 2019, 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).

**NOTE 15 – Paycheck Protection Loan**

The Corporation received a conditional contribution of \$180,400 in the form of the Paycheck Protection Program Loan (the Loan). The Corporation reported the full amount of the Loan as Government Grant revenue since the Corporation incurred allowable costs in excess of the amount advanced under the terms of the Loan. The Small Business Administration notified the Corporation that the Loan was forgiven effective March 24, 2021.

**NOTE 16 – Subsequent Events**

The Corporation has evaluated events and transactions for potential recognition or disclosure through September 14, 2021, which is the date the financial statements were available to be issued.