

# Sea Turtle Conservancy, Inc.

## Financial Statements And Independent Auditors' Report

December 31, 2021

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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, 2021, 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, 2021, 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 14, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Kattell and Company, P.L.*

August 4, 2022

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

**Statement of Financial Position**  
**December 31, 2021**  
(with summarized comparative information for 2020)  
**Sea Turtle Conservancy, Inc.**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash	\$ 2,988,959	\$ 2,645,630
Investments	37,592	42,078
Receivables	345,851	199,125
Prepays and Deposits	22,356	21,271
Inventories	42,586	41,482
Assets Restricted to Long-Term Purposes:		
Cash	461,860	539,898
Investments	2,519,462	2,151,929
Receivables	2,820	58,770
Structures and Equipment, Net	217,227	241,178
Land	25,300	25,300
<b>Total Assets</b>	<b>\$ 6,664,013</b>	<b>\$ 5,966,661</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts Payable	\$ 30,269	\$ 24,812
Accrued Liabilities	140,606	130,012
Refundable Advance	255,491	376,845
Agency Deposits	55,277	13,399
Total Liabilities	481,643	545,068
Net Assets:		
Without Donor Restrictions		
Invested in Property and Equipment	242,527	266,478
Other	1,972,329	1,639,387
Total Without Donor Restrictions	2,214,856	1,905,865
With Donor Restrictions	3,967,514	3,515,728
Total Net Assets	6,182,370	5,421,593
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,664,013</b>	<b>\$ 5,966,661</b>

See accompanying notes.

**Statement of Activities**  
**For the Year Ended December 31, 2021**  
(with summarized comparative information for 2020)  
**Sea Turtle Conservancy, Inc.**

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Support:</b>				
Government Grants	\$ 52,000	\$ 739,953	\$ 791,953	\$ 842,502
Non-Government Grants:				
NFWF	1,651,206	--	1,651,206	937,843
Other	269,424	257,726	527,150	385,760
Contributions	661,041	95,085	756,126	560,433
Memberships	290,268	--	290,268	312,586
Special Events	44,654	--	44,654	51,370
Net Assets Released from Restrictions:				
Purpose Restrictions Satisfied	942,578	(942,578)	--	--
<b>Revenues:</b>				
Program Revenues	337,885	--	337,885	174,409
Royalties	208,446	--	208,446	383,740
Sales	64,836	--	64,836	77,675
Other	1,521	2,828	4,349	6,822
<b>Total Support and Revenues</b>	<b>4,523,859</b>	<b>153,014</b>	<b>4,676,873</b>	<b>3,733,140</b>
<b>Expenses:</b>				
Program Services:				
Tortuguero Research and Conservation	518,662	--	518,662	535,775
Panama Research and Conservation	512,582	--	512,582	347,279
International Programs	78,585	--	78,585	14,859
Lighting and Predation Programs	1,531,600	--	1,531,600	941,724
Florida Programs	844,310	--	844,310	917,728
Barrier Island Center	140,485	--	140,485	97,140
Supporting Activities:				
General and Administrative	247,588	--	247,588	201,904
Development	316,026	--	316,026	244,687
Cost of Sales	35,936	--	35,936	54,815
<b>Total Expenses</b>	<b>4,225,774</b>	<b>--</b>	<b>4,225,774</b>	<b>3,355,911</b>
<b>Excess of Support and Revenues Over Expenses</b>	<b>298,085</b>	<b>153,014</b>	<b>451,099</b>	<b>377,229</b>
Net Investment Return	10,906	298,772	309,678	223,803
<b>Change in Net Assets</b>	<b>308,991</b>	<b>451,786</b>	<b>760,777</b>	<b>601,032</b>
Net Assets, beginning of year	1,905,865	3,515,728	5,421,593	4,820,561
Net Assets, end of year	\$ 2,214,856	\$ 3,967,514	\$ 6,182,370	\$ 5,421,593

See accompanying notes.

**Statement of Cash Flows**  
**For the Year Ended December 31, 2021**  
(with summarized comparative information for 2020)  
**Sea Turtle Conservancy, Inc.**

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 760,777	\$ 601,032
Adjustments:		
Depreciation	40,684	40,168
Investment Return - Reinvested	(23,416)	(23,349)
Net (Gains) / Loss on Investments	(281,835)	(193,346)
Contribution for Long Term Investment	(87,904)	(75,575)
Changes in:		
Receivables	(90,776)	537,508
Prepays & Deposits	(1,085)	1,355
Inventories	(1,104)	(1,791)
Accounts Payable	5,457	(26,459)
Accrued Liabilities	10,594	11,890
Refundable Advance	(121,354)	119,215
Agency Deposits	41,878	(23,327)
<b>Net Cash Provided by (Used In) Operating Activities</b>	<b>251,916</b>	<b>967,321</b>
Cash Flows from Investing Activities:		
Investments Liquidated	271,911	539,062
Investments Purchased	(329,707)	(230,259)
Purchase of Structures and Equipment	(16,733)	(10,187)
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>(74,529)</b>	<b>298,616</b>
Cash Flows from Financing Activities:		
Contribution for Long Term Investment	87,904	75,575
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b>87,904</b>	<b>75,575</b>
<b>Net Change in Cash and Equivalents</b>	<b>265,291</b>	<b>1,341,512</b>
<b>Cash, Beginning of Year</b>	<b>3,185,528</b>	<b>1,844,016</b>
<b>Cash, End of Year</b>	<b>\$ 3,450,819</b>	<b>\$ 3,185,528</b>

**Disclosures**

Cash is reported on Statement of Financial Position as follows:		
Cash	\$ 2,988,959	\$ 2,645,630
Assets Restricted to Long-Term Purposes: Cash	461,860	539,898
<b>Total</b>	<b>\$ 3,450,819</b>	<b>\$ 3,185,528</b>

See accompanying notes.

**Statement of Functional Expenses**  
**For the Year Ended December 31, 2021**  
(with summarized comparative information for 2020)  
**Sea Turtle Conservancy, Inc.**

	2021										2020
	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	\$ --	\$ --	\$ 1,600	\$ 473	\$ 2,373	\$ 4,398
Communications	7,455	3,302	2,203	6,787	12,932	1,093	2,755	17,101	268	53,896	36,729
Cost of Items Sold	7,563	--	--	--	--	11,942	--	--	9,458	28,963	35,238
Depreciation	16,934	8,206	590	--	14,955	--	--	--	--	40,685	40,168
Donations	3,114	--	1,000	--	2,000	2,400	--	100	--	8,614	3,911
Operations, Repairs & Maintenance	19,290	35,729	--	140	4,473	--	4,109	6,812	232	70,785	60,813
Food	49,857	40,855	--	--	--	104	--	--	--	90,816	74,289
Grants	--	--	--	1,000,771	406,005	--	--	--	--	1,406,776	850,333
Insurance	8,096	--	--	--	1,729	--	10,869	--	--	20,694	20,500
Legal and Professional	3,041	12,177	--	--	--	--	16,250	--	--	31,468	23,926
Materials and Supplies	15,365	50,704	7,428	10,609	16,972	14,612	3,566	25,207	1,039	145,502	90,039
Office Expenses	4,695	2,172	211	--	699	4,460	1,528	19,562	1,642	34,969	32,393
Payroll and Personnel	262,766	315,552	34,062	417,956	273,673	91,021	184,644	149,806	17,420	1,746,900	1,591,244
Postage and Freight	11,126	1,077	156	1,668	9,723	589	3,221	28,435	4,473	60,468	56,881
Printing and Publications	1,605	1,925	--	1,879	4,682	--	--	20,255	--	30,346	30,519
Rent and Facilities Use	12,552	17,126	1,335	22,909	14,339	9,184	14,371	7,658	837	100,311	90,157
Satellite Transmitter Airtime	2,888	153	4,971	--	21,025	1,126	--	--	--	30,163	23,511
Tagging Supplies and Payments	13,131	2,475	7,037	--	14,702	--	--	--	--	37,345	47,056
Technical Consultants	53,460	--	--	47,037	26,589	2,450	--	32,077	--	161,613	132,644
Travel, Meetings, and Training	15,624	20,920	18,876	19,246	18,231	411	4,456	6,545	--	104,309	60,821
Utilities	10,100	209	716	2,598	1,281	1,093	1,819	868	94	18,778	22,206
Tax Payments	--	--	--	--	--	--	--	--	--	--	28,135
<b>Total Expenses</b>	<b>\$ 518,662</b>	<b>\$ 512,582</b>	<b>\$ 78,585</b>	<b>\$1,531,600</b>	<b>\$ 844,310</b>	<b>\$ 140,485</b>	<b>\$ 247,588</b>	<b>\$ 316,026</b>	<b>\$ 35,936</b>	<b>\$ 4,225,774</b>	<b>\$ 3,355,911</b>

See accompanying notes.

**Notes to Financial Statements**  
**December 31, 2021**  
**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. 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, 2021**  
**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.

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, 2021**  
**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 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 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, 2021**  
**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, 2021**  
**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>2021</u>	<u>2020</u>
<b>Financial Assets</b>		
Cash	\$ 2,988,959	\$ 2,645,630
Other Investments	37,592	42,078
Receivables	345,851	199,125
Assets Held for Long-Term Investment:		
Cash	461,860	539,898
Investments	2,519,462	2,151,929
Receivables	2,820	58,770
<b>Total Financial Assets</b>	<u><b>6,356,544</b></u>	<u><b>5,637,430</b></u>
Not available for general expenditure:		
Donor restricted for endowment funds (Note 7)	<u>(2,984,142)</u>	<u>(2,750,597)</u>
<b>Amounts available for general expenditure within one year</b>	<u><b>\$ 3,372,402</b></u>	<u><b>\$ 2,886,833</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>2021</u>	<u>2020</u>
Contributions and Royalties	\$ 57,575	\$ 98,882
Cost Reimbursement Grants	205,983	155,876
Program Services Contract	75,000	--
Other	10,113	3,137
<b>Totals</b>	<u><b>\$ 348,671</b></u>	<u><b>\$ 257,895</b></u>

**NOTE 4 – Structures and Equipment**

Structures and Equipment consists of the following:

	<u>2021</u>	<u>2020</u>
Structures	\$ 692,750	\$ 692,750
Equipment	388,325	371,592
Total	1,081,075	1,064,342
Accumulated Depreciation	<u>(863,848)</u>	<u>(823,164)</u>
<b>Net</b>	<u><b>\$ 217,227</b></u>	<u><b>\$ 241,178</b></u>

Approximately 95% of the structures and 42% 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, 2021**  
**Sea Turtle Conservancy, Inc.**

**NOTE 5 – Investments**

Investments are comprised of the following:

	<u>2021</u>	<u>2020</u>
<b>Level I – Quoted Prices in Active Markets:</b>		
Cash – insured by FDIC	\$ 35,973	\$ 105,127
Mutual Funds – Equity	135,198	8,101
US Equity Securities	1,322,351	948,235
International Equity Securities	248,353	249,040
Taxable Fixed Income	539,099	602,684
Real Estate Trust	76,080	80,820
<b>Level II – Other Observable Inputs:</b>		
U.S. Government Debt Securities	<u>200,000</u>	<u>200,000</u>
<b>Total Investments</b>	<b><u>\$ 2,557,054</u></b>	<b><u>\$ 2,194,007</u></b>

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

Other Investments	\$ 37,592	\$ 42,078
Investments Restricted to Long-Term Purposes	<u>2,519,462</u>	<u>2,151,929</u>
<b>Total Investments</b>	<b><u>\$ 2,557,054</u></b>	<b><u>\$ 2,194,007</u></b>

Investment return consists of the following:

Investment Income	\$ 41,978	\$ 41,223
Management and Investment Fees	<u>(14,135)</u>	<u>(10,766)</u>
Investment Income, Net of Fees	27,843	30,457
Net Investment Gains/(Losses)	<u>281,835</u>	<u>193,346</u>
<b>Total Investment Return</b>	<b><u>\$ 309,678</u></b>	<b><u>\$ 223,803</u></b>

**NOTE 6 – Refundable Advances**

The Corporation held \$255,491 and \$376,845 for direct costs for the lighting program which had not been expended as of December 31, 2021 and 2020, 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>2021</u>	<u>2020</u>
Endowment Funds Invested (see Note 8):		
Clay Family Scientific Director Endowment	\$ 2,166,531	\$ 1,927,597
Lisa Jo Randgaard Endowment	107,650	88,487
General Endowment	<u>707,141</u>	<u>675,743</u>
Total endowment funds	2,981,322	2,691,827
Contributions receivable restricted for Endowment	2,820	58,770
Donations restricted to expenditure for:		
Panama Research and Conservation	20,646	19,364
International Programs	26,270	58,395
Sea Turtle Grants Program	736,732	605,274
Other Florida Programs	<u>199,724</u>	<u>82,098</u>
Total purpose restricted contributions	<u>983,372</u>	<u>765,131</u>
<b>Total net assets with donor restrictions</b>	<b><u>\$ 3,967,514</u></b>	<b><u>\$ 3,515,728</u></b>

**Notes to Financial Statements**  
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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, 2021 and 2020, original gifts, less any amounts subsequently released from restrictions, were \$108,753 and \$89,309, respectively. For the General Fund original gift amounts were \$635,556 and \$635,556 at December 31, 2021 and 2020, 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>2021</u>	<u>2020</u>
<b>Balance – January 1</b>	<b>\$ 2,691,827</b>	<b>\$ 2,409,261</b>
Contributions	87,904	75,555
Net Investment Gain/(Loss)	276,285	200,004
Interest and Dividends Income, net of fees	25,306	32,007
Grant Disbursements	(100,000)	(25,000)
<b>Balance – December 31</b>	<b><u>\$ 2,981,322</u></b>	<b><u>\$ 2,691,827</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, 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><u>560,595</u></b>	<b><u>44,679</u></b>	<b><u>605,274</u></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><u>\$ 629,622</u></b>	<b><u>\$ 107,110</u></b>	<b><u>\$ 736,732</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 – Commitments**

At December 31, 2021, the Corporation had signed sea turtle grants program contracts (see Note 9) committing to \$128,564 that will be remitted as deliverables are met. In addition, at December 31, 2021, the Corporation committed to \$334,243 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**

*Costa Rica.* The Corporation leases office space in San Jose, Costa Rica at \$1,000 per month. The lease expires in March 2024. Total rent paid for 2021 and 2020 was approximately \$12,552 and \$12,783 respectively.

*Panama.* The Corporation leases office space on a year-to-year agreement at \$875 per month. Due to COVID 19, the Corporation paid rent for only four months in 2020. Total rental payments were \$10,500 and \$3,500 for 2021 and 2020, 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 \$69,599 and \$66,765 for 2021 and 2020, respectively.

Future minimum lease payments for all locations are as follows:

Year Ended	Totals
December 31,	
2022	\$ 82,644
2023	82,644
2024	27,548
<b>Totals</b>	<b>\$ 192,836</b>

**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 \$89,730 and \$77,971 are included in payroll and personnel for 2021 and 2020, respectively.

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

For the years ended December 31, 2021 and 2020, approximately 17% and 18%, 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, 2021 and 2020, approximately 36% and 25%, 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 \$205,983 and \$155,876 at December 31, 2021 and 2020, respectively

For the years ended December 31, 2021 and 2020, approximately 6% and 4%, respectively, of the Corporation's total support and revenue was provided by the Minera Panama Agreement. The amount due on these contracts was \$75,000 and \$0 at December 31, 2021 and 2020, respectively.

Cash and Cash Equivalents include cash in federally insured banks and investments in money market funds. At December 31, 2021 and 2020, the Company had approximately \$2,800,000 and \$2,434,000, respectively, in excess of FDIC insured limits. The Corporation has not experienced any losses in such accounts.

**NOTE 14 – Donated Services**

The Corporation received 3,066 and 2,652 hours of volunteer services in 2021 and 2020, respectively. At \$27.68 and \$26.32 per hour in 2021 and 2020, this amounts to \$84,867 and \$69,801 of additional contributions and program service expenses for the years ended December 2021 and 2020, 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 – Subsequent Events**

The Corporation has evaluated events and transactions for potential recognition or disclosure through August 4, 2022, which is the date the financial statements were available to be issued.