

Sea Turtle Conservancy, Inc.

Financial Statements and Independent Auditors' Report

December 31, 2023

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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

August 27, 2024

Independent Auditors' Report on the Audit of the Financial Statements

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, 2023, 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, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Responsibilities of Management for the Financial Statements.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information. We have previously audited the Corporation's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 11, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kattell and Company, P.L.

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

Statement of Financial Position
December 31, 2023
(with summarized comparative information for 2022)
Sea Turtle Conservancy, Inc.

	<u>2023</u>	<u>2022</u>
Assets		
Cash	\$ 4,173,944	\$ 3,693,540
Investments	1,783,118	--
Receivables	413,377	700,870
Prepays and Deposits	24,494	22,935
Inventories	37,555	38,730
Assets Restricted to Long-Term Purposes:		
Cash	86,149	185,845
Investments	2,738,261	2,386,400
Structures and Equipment, Net	327,990	265,087
Land	<u>25,300</u>	<u>25,300</u>
Total Assets	<u>\$ 9,610,188</u>	<u>\$ 7,318,707</u>
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	\$ 46,276	\$ 40,378
Accrued Liabilities	158,269	153,694
Refundable Advance	330,119	264,458
Agency Deposits	27,367	72,032
Lease Liability	<u>19,575</u>	<u>76,198</u>
Total Liabilities	581,606	606,760
Net Assets:		
Without Donor Restrictions:		
Invested in Property and Equipment	333,625	214,189
Rose-Seidman Operational Fund	2,607,408	250,000
Other	<u>2,113,838</u>	<u>2,454,699</u>
Total Without Donor Restrictions	5,054,871	2,918,888
With Donor Restrictions	<u>3,973,711</u>	<u>3,793,059</u>
Total Net Assets	<u>9,028,582</u>	<u>6,711,947</u>
Total Liabilities and Net Assets	<u>\$ 9,610,188</u>	<u>\$ 7,318,707</u>

See accompanying notes.

Statement of Activities
For the Year Ended December 31, 2023
(with summarized comparative information for 2022)
Sea Turtle Conservancy, Inc.

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support:				
Government Grants	\$ 52,000	\$ 791,175	\$ 843,175	\$ 809,240
Non-Government Grants:				
NFWF	1,004,488	--	1,004,488	1,220,767
Other	169,535	262,500	432,035	486,132
Contributions	2,936,313	68,700	3,005,013	959,122
Memberships	235,432	--	235,432	302,985
Special Events	53,484	--	53,484	58,218
Net Assets Released from Restrictions:				
Purpose Restrictions Satisfied	1,281,316	(1,281,316)	--	--
Revenues:				
Program Revenues	451,785	--	451,785	420,566
Royalties	365,239	--	365,239	537,439
Sales	96,612	--	96,612	90,404
Other	3,844	--	3,844	3,685
Total Support and Revenues	6,650,048	(158,941)	6,491,107	4,888,558
Expenses:				
Program Services:				
Tortuguero Research and Conservation	778,123	--	778,123	625,533
Panama Research and Conservation	624,649	--	624,649	505,247
International Programs	98,157	--	98,157	81,068
Lighting and Predation Programs	921,561	--	921,561	1,150,888
Florida Programs	1,184,931	--	1,184,931	888,079
Barrier Island Center	146,792	--	146,792	142,336
Supporting Activities:				
General and Administrative	400,619	--	400,619	288,188
Development	357,943	--	357,943	312,717
Cost of Sales	41,609	--	41,609	41,927
Total Expenses	4,554,384	--	4,554,384	4,035,983
Excess of Support and Revenues Over Expenses	2,095,664	(158,941)	1,936,723	852,575
Net Investment Return	40,319	339,593	379,912	(322,998)
Change in Net Assets	2,135,983	180,652	2,316,635	529,577
Net Assets, beginning of year	2,918,888	3,793,059	6,711,947	6,182,370
Net Assets, end of year	\$ 5,054,871	\$ 3,973,711	\$ 9,028,582	\$ 6,711,947

See accompanying notes.

Statement of Cash Flows
For the Year Ended December 31, 2023
(with summarized comparative information for 2022)
Sea Turtle Conservancy, Inc.

	2023	2022
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 2,316,635	\$ 529,577
Adjustments:		
Depreciation	40,620	41,506
Investment Return Reinvested	(71,255)	(21,105)
Net (Gains)/Losses on Investments	(294,960)	352,010
Contributions for Long Term Investment	(12,600)	(12,489)
Changes in:		
Receivables	287,493	(355,019)
Other Assets	(384)	3,277
Accounts Payable	5,898	10,109
Accrued Liabilities	4,575	13,088
Refundable Advance	65,661	8,967
Agency Deposits	(44,665)	16,755
Net Cash Provided by (Used In) Operating Activities	2,297,018	586,676
Cash Flows from Investing Activities:		
Investments Liquidated	1,311,000	239,749
Investments Purchased	(3,079,764)	(400,000)
Purchase of Structures and Equipment	(160,146)	(13,168)
Net Cash Provided By (Used In) Investing Activities	(1,928,910)	(173,419)
Cash Flows from Financing Activities:		
Contributions for Long Term Investment	12,600	15,309
Net Cash Provided By (Used In) Financing Activities	12,600	15,309
Net Change in Cash and Equivalents	380,708	428,566
Cash, Beginning of Year	3,879,385	3,450,819
Cash, End of Year	\$ 4,260,093	\$ 3,879,385

Disclosures

Cash is reported on the Statement of Financial Position as follows:

Cash	\$ 4,173,944	\$ 3,693,540
Assets Restricted to Long-Term Purposes: Cash	86,149	185,845
Total	\$ 4,260,093	\$ 3,879,385

See accompanying notes.

Statement of Functional Expenses
For the Year Ended December 31, 2023
(with summarized comparative information for 2022)
Sea Turtle Conservancy, Inc.

	2023									2022	
	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	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 536	\$ --	\$ 536	\$ 2,599
Communications	9,039	4,273	488	4,955	12,381	2,535	2,999	24,548	235	61,453	43,110
Cost of Items Sold	17,440	--	--	--	--	13,959	--	--	13,553	44,952	43,054
Depreciation	20,773	8,205	1,690	--	9,952	--	--	--	--	40,620	41,506
Donations	336	1,454	7,000	--	5,000	--	--	--	--	13,790	9,661
Operations, Repairs & Maintenance	43,087	26,242	--	144	7,482	--	4,352	8,219	385	89,911	74,675
Food	79,281	58,672	621	--	--	--	--	--	--	138,574	124,354
Grants	--	--	--	434,340	533,717	--	--	--	--	968,057	1,026,588
Insurance	10,434	--	--	--	1,748	--	15,046	--	--	27,228	23,515
Legal and Professional	4,935	25,767	--	--	--	--	19,950	--	--	50,652	47,000
Materials and Supplies	30,756	18,797	4,380	30,710	17,126	10,648	6,176	27,789	799	147,181	153,184
Office Expenses	7,548	3,400	181	--	1,072	3,682	1,411	17,908	2,526	37,728	35,933
Payroll and Personnel	379,813	378,842	44,478	370,066	420,577	102,509	305,265	184,395	19,894	2,205,839	1,836,241
Postage and Freight	21,965	719	667	590	7,564	797	3,439	28,704	2,730	67,175	59,655
Printing and Publications	--	14	--	1,594	9,407	110	--	25,757	--	36,882	29,697
Rent and Facilities Use	13,208	18,791	1,648	16,337	19,476	6,974	20,883	7,670	838	105,825	99,794
Satellite Transmitter Airtime	8,640	6,768	6,909	--	20,314	409	--	--	--	43,040	41,305
Tagging Supplies and Payments	20,272	9,692	6,100	--	38,229	--	--	--	--	74,293	66,782
Technical Consultants	57,200	6,076	--	46,478	32,373	2,510	--	13,539	--	158,176	112,618
Travel, Meetings, and Training	39,663	56,793	23,722	14,379	46,353	1,803	18,527	17,946	547	219,733	144,437
Utilities	13,733	144	273	1,968	2,160	856	2,571	932	102	22,739	20,275
Total Expenses	\$ 778,123	\$ 624,649	\$ 98,157	\$ 921,561	\$ 1,184,931	\$ 146,792	\$ 400,619	\$ 357,943	\$ 41,609	\$ 4,554,384	\$ 4,035,983

See accompanying notes.

Notes to Financial Statements
December 31, 2023
Sea Turtle Conservancy, Inc.

NOTE 1 – Summary of Significant Accounting Policies

Entity

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

Tax Status

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

Basis of Accounting

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

Cash

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

Receivables

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

Inventories

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

Investments

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

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

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

Level 3 – Unobservable inputs for the asset or liability.

Notes to Financial Statements
December 31, 2023
Sea Turtle Conservancy, Inc.

NOTE 1 – Summary of Significant Accounting Policies (continued)

Investments (concluded)

With respect to the Clay Family Scientific Director Endowment (the Clay Endowment), 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. To achieve this objective, the Corporation hired financial advisors at RBC Fund Management to invest the majority of the assets of the Clay Endowment in equities that have historically generated a higher rate of return. Because equity securities carry a higher risk profile, the Corporation invests the remainder of its portfolio in fixed income securities and cash. This investment approach is intended to achieve the following objectives:

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

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

Land, Structures and Equipment

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

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

Agency Deposits

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

Net Assets

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

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

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

Endowment Funds

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

Notes to Financial Statements
December 31, 2023
Sea Turtle Conservancy, Inc.

NOTE 1 – Summary of Significant Accounting Policies (continued)

Endowment Funds (concluded)

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

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

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

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

Revenue Recognition - Contributions

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

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

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

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

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

Revenue Recognition – Contracts with Customers

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

Promises to Give

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

Notes to Financial Statements
December 31, 2023
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, 2023
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>2023</u>	<u>2022</u>
Financial Assets		
Cash	\$ 4,173,944	\$ 3,693,540
Investments	1,783,118	--
Receivables	413,377	700,870
Assets Held for Long-Term Investment:		
Cash	86,149	185,845
Investments	<u>2,738,261</u>	<u>2,386,400</u>
Total Financial Assets	<u>9,194,296</u>	<u>6,966,655</u>
Donor restricted for endowment funds (Note 7)	<u>(2,824,410)</u>	<u>(2,572,245)</u>
Amounts available for general expenditure within one year	<u>\$ 6,370,439</u>	<u>\$ 4,394,410</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>2023</u>	<u>2022</u>
Contributions and Royalties	\$ 75,473	\$ 383,282
Cost Reimbursement Grants	174,224	160,883
Program Services Contract	150,000	150,000
Other	<u>13,680</u>	<u>6,705</u>
Totals	<u>\$ 413,377</u>	<u>\$ 700,870</u>

NOTE 4 – Structures and Equipment

Structures and Equipment consists of the following:

	<u>2023</u>	<u>2022</u>
Structures	\$ 758,445	\$ 692,750
Right-of-Use Asset – US Administrative Office	19,575	76,198
Equipment	<u>471,861</u>	<u>380,865</u>
Total	1,249,881	1,149,813
Accumulated Depreciation	<u>(921,891)</u>	<u>(884,726)</u>
Net	<u>\$ 327,990</u>	<u>\$ 265,087</u>

Approximately 45% of the equipment and 100% of the structures are located in Costa Rica and Panama.

Notes to Financial Statements
December 31, 2023
Sea Turtle Conservancy, Inc.

NOTE 5 – Investments

Investments are comprised of the following:

	<u>2023</u>	<u>2022</u>
Level I – Quoted Prices in Active Markets:		
Cash – insured by FDIC	\$ 97,141	\$ 28,888
Fixed Income	399,109	472,444
Equities	1,611,765	1,385,068
Level II – Other Observable Inputs:		
U.S. Government Debt Securities	<u>2,413,364</u>	<u>500,000</u>
Total Investments	<u>\$ 4,521,379</u>	<u>\$ 2,386,400</u>

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

Investments	\$ 1,783,118	\$ --
Investments Restricted to Long-Term Purposes	<u>2,738,261</u>	<u>2,386,400</u>
Total Investments	<u>\$ 4,521,379</u>	<u>\$ 2,386,400</u>

Investment return consists of the following:

Investment Income	\$ 97,814	\$ 43,204
Management and Investment Fees	<u>(12,862)</u>	<u>(14,192)</u>
Investment Income, Net of Fees	84,952	29,012
Net Investment Gains/(Losses)	<u>294,960</u>	<u>(352,010)</u>
Total Investment Return	<u>\$ 379,912</u>	<u>\$ (322,998)</u>

NOTE 6 – Refundable Advances

The Corporation held \$330,119 and \$264,458 for direct costs for the lighting program which had not been expended as of December 31, 2023 and 2022, respectively. Contribution revenue will be recognized as funds are expended in future periods.

NOTE 7 – Net Assets

Without Donor Restrictions. The Board of Directors of the Corporation established the Rose-Seidman Operational Fund, which may be accessed for emergency or operational needs upon authorization from the Executive Committee.

With Donor Restrictions. Net assets with donor-imposed restrictions consist of the following:

	<u>2023</u>	<u>2022</u>
Endowment Funds Invested (see Note 8):		
Clay Family Scientific Director Endowment	\$ 1,962,370	\$ 1,778,731
Lisa Jo Randgaard Endowment	139,432	122,971
General Endowment	<u>722,608</u>	<u>670,543</u>
Total endowment funds	2,824,410	2,572,245
Donations restricted to expenditure for:		
International Programs	27,568	156,072
Sea Turtle Grants Program	934,686	914,155
Other Florida Programs	<u>187,047</u>	<u>150,587</u>
Total purpose restricted contributions	1,149,301	1,220,814
Total net assets with donor restrictions	<u>\$ 3,973,711</u>	<u>\$ 3,793,059</u>

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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, 2023 and 2022, original gifts, less any amounts subsequently released from restrictions, were \$133,852 and \$121,252, respectively. For the General Fund original gift amounts were \$635,556 and \$635,556 at December 31, 2023 and 2022, 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>2023</u>	<u>2022</u>
Balance – January 1	\$ 2,572,245	\$ 2,981,322
Contributions	12,600	15,309
Net Investment Gain/(Loss)	295,290	(354,817)
Interest and Dividends Income, net of fees	44,275	30,431
Grant Disbursements	(100,000)	(100,000)
Balance – December 31	<u>\$ 2,824,410</u>	<u>\$ 2,572,245</u>

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 & Marketing</u>	<u>Total</u>
Balance at December 31, 2021	\$ 629,622	\$ 107,110	\$ 736,732
State Revenue	504,993	252,247	757,240
Interest Revenue	29	--	29
Expenses	--	(210,788)	(210,788)
Grants Awarded	(369,058)	--	(369,058)
Balance at December 31, 2022	<u>765,586</u>	<u>148,569</u>	<u>914,155</u>
State Revenue	527,617	263,558	791,175
Interest Revenue	29	--	29
Expenses	--	(217,461)	(217,461)
Grants Awarded	(553,212)	--	(553,212)
Balance at December 31, 2023	<u>\$ 740,020</u>	<u>\$ 194,666</u>	<u>\$ 934,686</u>

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

NOTE 10 – Grants Commitments

At December 31, 2023, the Corporation had signed sea turtle grants program contracts (see Note 9) committing to \$171,111 that will be remitted as deliverables are met. In addition, at December 31, 2023, the Corporation committed to \$104,286, of grants related to the Lighting and Rehabilitation programs. Commitments under both of these programs will be satisfied using donor restricted net assets or refundable advances.

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NOTE 11 – Leases

Gainesville, Florida. In May 2019, the Corporation entered into a five-year lease for corporate office space in Gainesville, Florida. Monthly rent payments are \$4,950 plus a variable lease payment of an estimate of ad valorem tax which is adjusted annually. The lease ends April 30, 2024. The lease contains options to renew; however, the lease also gives both parties the option to terminate with a 60-day notice. Rental payments including variable lease payments were \$71,842 and \$70,540 for 2023 and 2022, respectively. The lease liability was computed using a risk-free rate of 5.5% as an estimate of the Corporation’s incremental borrowing rate. Future minimum lease payments are reconciled to lease liability as follows:

2024	\$ 19,800
Amount representing interest	(225)
Lease Liability at December 31, 2022	<u><u>\$ 19,575</u></u>

Costa Rica and Panama. The Corporation also leases office space in Costa Rica and in Panama where it conducts substantial programmatic operations. The Corporation does not compute a right-of-use asset or lease liability in keeping with the terms and dollar value of these leases. Rental payments were \$26,074 and \$25,866 for 2023 and 2022, respectively.

NOTE 12 – Defined Contribution Retirement Plan

The Corporation offers a defined contribution retirement plan to all employees who work at least 1,000 hours in a year. The plan operates under Section 403(b) of the Internal Revenue Code. The Corporation contributes 11% of an eligible employee's payroll with complete vesting after three years of service. Total net costs of \$116,235 and \$103,631 are included in payroll and personnel for 2023 and 2022, respectively.

NOTE 13 – Concentrations of Revenue Sources and Credit Risks

Concentrations of revenues sources are indicated below as a percentage of total revenues for the year:

	<u>2023</u>	<u>2022</u>
Florida Sea Turtle Grants Program	12%	15%
National Fish and Wildlife Commission	15%	25%
Minera Panama Agreement	5%	6%
Estate Bequests	36%	5%

These same sources accounted for 78% and 80% of amounts reported as receivables at December 31, 2023 and 2022, respectively.

Cash and Cash Equivalents include cash in federally insured banks and investments in money market funds. At December 31, 2023 and 2022, the Company held approximately \$2,681,000 and \$2,025,000, respectively, in excess of FDIC insured limits. The Corporation has not experienced any losses in such accounts.

NOTE 14 – Donated Services

The Corporation received 5,371 and 4,917 hours of volunteer services in 2023 and 2022, respectively. At \$31.61 and \$29.41 per hour in 2023 and 2022, this amounts to \$169,777 and \$144,609 of additional contributions and program service expenses for the years ended December 2023 and 2022, 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 <https://independentsector.org/resource/value-of-volunteer-time/>.

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NOTE 15 – Conditional Contributions

The Corporation is party to three agreements with the National Fish and Wildlife Commission that are accounted for as conditional contributions. Recognition of contribution revenue is conditioned on the expenditure of allowable costs and achievement of certain metrics. The following provides information on the amount recognized prior to December 31, 2023, the amount available by the period of availability, and the total of conditional contributions:

	<u>2023</u>
Amounts recognized – conditions met	\$ 4,515,379
Unrecognized:	
Available until December 31, 2024	62,127
Available until December 31, 2025	1,071,821
Available until December 31, 2027	<u>641,504</u>
Total	<u>\$ 6,290,831</u>

NOTE 16 – Subsequent Events

The Corporation has evaluated events and transactions for potential recognition or disclosure through August 27, 2024, which is the date the financial statements were available to be issued.