

Sea Turtle Conservancy, Inc.

Financial Statements And Independent Auditors' Report

December 31, 2018

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Kattell and Company, P.L.

Certified Public Accountants Serving the Nonprofit Community

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INDEPENDENT AUDITORS' REPORT

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

October 1, 2019

Report on the Financial Statements

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, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements. Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation, as of December 31, 2018, 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.

Report on Summarized Comparative Information. We have previously audited the Organization's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 7, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, 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, 2018
(with summarized comparative information for 2017)
Sea Turtle Conservancy, Inc.

	<u>2018</u>	<u>2017</u>
Assets		
Cash	\$ 2,387,744	\$ 1,383,532
Other Investments	42,330	50,191
Advances	98	100
Receivables	147,465	425,860
Prepays and Deposits	26,603	27,020
Inventories	35,437	36,788
Assets Restricted to Long-Term Purposes:		
Cash	199,034	681,523
Investments	1,967,214	1,857,289
Structures and Equipment, Net	248,219	230,767
Land	<u>25,300</u>	<u>25,300</u>
Total Assets	<u>\$ 5,079,444</u>	<u>\$ 4,718,370</u>
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	\$ 35,693	\$ 35,485
Accrued Liabilities	99,274	94,220
Deferred Revenue	452,038	178,924
Agency Deposits	<u>--</u>	<u>5,705</u>
Total Liabilities	587,005	314,334
Net Assets:		
Without Donor Restrictions		
Invested in Property and Equipment	273,519	256,067
Other	<u>1,348,429</u>	<u>801,763</u>
Total Without Donor Restrictions	1,621,948	1,057,830
With Donor Restrictions	<u>2,870,491</u>	<u>3,346,206</u>
Total Net Assets	<u>4,492,439</u>	<u>4,404,036</u>
Total Liabilities and Net Assets	<u>\$ 5,079,444</u>	<u>\$ 4,718,370</u>

See accompanying notes.

Statement of Activities
For the Year Ended December 31, 2018
with summarized comparative information for 2017
Sea Turtle Conservancy, Inc.

	2018			2017 Total
	Without Donor Restrictions	With Donor Restrictions	2018 Total	
<u>Support:</u>				
Government Grants	\$ 66,000	\$ 593,497	\$ 659,497	\$ 630,015
Non-Government Grants	719,631	131,760	851,391	1,479,407
Contributions	586,256	45,688	631,944	486,038
Membership Dues	260,996	--	260,996	203,074
In-Kind Contributions	23,117	--	23,117	47
Special Events	32,673	--	32,673	35,409
Net Assets Released from Restrictions:				
Purpose Restrictions Satisfied	967,548	(967,548)	--	--
Total Support	2,656,221	(196,603)	2,459,618	2,833,990
<u>Revenues:</u>				
Program Revenues	470,871	--	470,871	458,817
Sales and Rentals	116,112	--	116,112	112,475
Royalties	256,294	--	256,294	63,748
Other	5,877	--	5,877	3,734
Total Revenues	849,154	--	849,154	638,774
Total Support and Revenues	3,505,375	(196,603)	3,308,772	3,472,764
<u>Expenses</u>				
Program Services:				
Tortuguero Research and Conservation	548,938	--	548,938	515,410
Panama Research and Conservation	414,008	--	414,008	404,576
International Programs	86,809	--	86,809	108,305
Lighting and Predation Programs	469,970	--	469,970	1,085,440
Florida Programs	883,376	--	883,376	776,984
Barrier Island Center	123,551	--	123,551	120,263
Supporting Activities:				
General and Administrative	158,153	--	158,153	153,771
Development	215,493	--	215,493	203,869
Costs of Sales	37,233	--	37,233	38,522
Total Expenses	2,937,531	--	2,937,531	3,407,140
Excess of Support and Revenues Over Expenses	567,844	(196,603)	371,241	65,624
Net Investment Return	(3,726)	(279,112)	(282,838)	80,231
Change in Net Assets	564,118	(475,715)	88,403	145,855
Net Assets, beginning of year	1,057,830	3,346,206	4,404,036	4,258,181
Net Assets, end of year	\$ 1,621,948	\$ 2,870,491	\$ 4,492,439	\$ 4,404,036

See accompanying notes.

Statement of Cash Flows
For the Years Ended December 31, 2018
(with summarized comparative information for 2017)
Sea Turtle Conservancy, Inc.

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Contributions, Grants, and Memberships	\$ 2,914,706	\$ 2,578,175
Sales and Rentals	116,112	112,475
Program Revenues	470,871	458,817
Interest and Dividends Received	1,917	1,579
Royalties and Other	294,909	102,891
Expenditures	<u>(2,886,494)</u>	<u>(3,413,399)</u>
Net Cash Provided by (Used In) Operating Activities	912,021	(159,462)
Cash Flows from Investing Activities:		
Investments Liquidated	241,830	139,930
Investments Purchased	(595,289)	--
Purchase of Structures and Equipment	<u>(45,579)</u>	<u>(39,357)</u>
Net Cash Provided By (Used In) Investing Activities	(399,038)	100,573
Cash Flows from Financing Activities:		
Contribution for Long Term Investment	<u>8,740</u>	<u>9,188</u>
Net Cash Provided By (Used In) Financing Activities	8,740	9,188
Net Change in Cash and Equivalents	521,723	(49,701)
Cash, Beginning of Year	<u>2,065,055</u>	<u>2,114,756</u>
Cash, End of Year	<u>\$ 2,586,778</u>	<u>\$ 2,065,055</u>

Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities

Change in Net Assets	\$ 88,403	\$ 145,855
Adjustments:		
Depreciation	49,710	53,889
In-Kind Contribution - Property	(21,583)	--
Investment Return - Reinvested	(33,425)	(50,191)
Investment Fees, Net of Income	(3,219)	13,842
Contribution for Long Term Investment	(8,740)	(9,188)
Net (Gains) / Loss on Investments	288,039	(94,178)
Change in:		
Advances	2	159
Receivables	278,395	(92,133)
Prepays & Deposits	417	(11,902)
Inventories	1,351	2,948
Accounts Payable	208	1,511
Accrued Liabilities	5,054	6,656
Deferred Revenue	273,114	(67,210)
Agency Deposits	<u>(5,705)</u>	<u>(59,520)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 912,021</u>	<u>\$ (159,462)</u>

Disclosures

Cash is reported on Statement of Financial Position as follows:		
Cash	\$ 2,387,744	\$ 1,383,532
Assets Restricted to Long-Term Purposes: Cash	<u>199,034</u>	<u>681,523</u>
Total	<u>\$ 2,586,778</u>	<u>\$ 2,065,055</u>

See accompanying notes.

Statement of Functional Expenses
For the Year Ended December 31, 2018
(with summarized comparative information for 2017)
Sea Turtle Conservancy, Inc.

	2018					
	Program Services					
	Tortuguero Research And Conservation	Panama Research and Conservation	International Programs	Lighting and Predation Programs	Florida Programs	Barrier Island Center
Communications	\$ 3,188	\$ 1,866	\$ 902	\$ 5,756	\$ 6,816	\$ 487
Cost of Items Sold	23,128	--	--	--	--	24,813
Depreciation	32,865	2,835	--	1,618	11,806	147
Donations	3,328	138	3,000	--	6,200	--
Equipment and Facilities Operations, Repairs and Maintenance, and Security	37,534	17,501	--	254	3,090	320
Food	47,038	45,968	1,329	--	--	--
Grants	--	--	--	189,515	334,589	--
Insurance	6,479	--	--	--	1,648	--
Legal and Professional	3,570	5,936	--	--	--	--
Materials and Supplies	24,472	30,596	1,726	8,477	29,782	15,174
Office Expenses	12,940	3,102	330	--	2,710	5,511
Payroll and Personnel	269,309	254,141	31,012	237,819	326,326	68,872
Postage and Freight	14,005	1,010	369	499	6,031	437
Printing and Publications	374	1,152	--	1,297	4,526	79
Rent and Facilities Use	13,525	12,917	663	8,427	13,717	3,253
Satellite Transmitter Airtime	1,414	4,660	5,790	--	4,392	3,657
Tagging Supplies and Payments	7,738	6,831	8,442	--	10,029	--
Technical Consultants	--	--	5,255	5,150	22,759	--
Travel, Conferences, Meetings, and Training	35,489	23,041	27,846	9,395	96,738	140
Utilities	12,542	2,314	145	1,763	2,217	661
Total Expenses	<u>\$ 548,938</u>	<u>\$ 414,008</u>	<u>\$ 86,809</u>	<u>\$ 469,970</u>	<u>\$ 883,376</u>	<u>\$ 123,551</u>

See accompanying notes.

2018							
Supporting Activities							
Total Program Services	General and Administrative	Development	Costs of Sales	Total Supporting Activities	2018 Total Expenses	2017 Total Expenses	
\$ 19,015	\$ 2,663	\$ 6,197	\$ 178	\$ 9,038	\$ 28,053	\$ 23,217	
47,941	--	--	11,716	11,716	59,657	60,711	
49,271	147	293	--	440	49,711	53,889	
12,666	--	150	--	150	12,816	7,533	
58,699	302	5,492	63	5,857	64,556	74,490	
94,335	--	--	--	--	94,335	90,270	
524,104	--	--	--	--	524,104	1,067,864	
8,127	10,093	--	--	10,093	18,220	14,770	
9,506	16,173	--	--	16,173	25,679	18,705	
110,227	2,659	12,536	147	15,342	125,569	91,156	
24,593	1,631	10,351	1,844	13,826	38,419	30,524	
1,187,479	101,609	135,761	18,455	255,825	1,443,304	1,429,384	
22,351	2,230	10,874	3,282	16,386	38,737	32,708	
7,428	189	13,500	--	13,689	21,117	23,854	
52,502	8,654	4,599	643	13,896	66,398	59,196	
19,913	--	--	--	--	19,913	26,094	
33,040	--	--	--	--	33,040	48,191	
33,164	--	--	--	--	33,164	51,429	
192,649	10,065	14,799	768	25,632	218,281	182,474	
19,642	1,738	941	137	2,816	22,458	20,681	
\$ 2,526,652	\$ 158,153	\$ 215,493	\$ 37,233	\$ 410,879	\$ 2,937,531	\$ 3,407,140	

See accompanying notes.

Notes to Financial Statements
December 31, 2018 and 2017
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.

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. The Corporation held \$1,972,850 and \$1,513,477 in excess of the Federal Deposit Insurance Corporation limits at December 31, 2018 and 2017, respectively.

Advances

Advances represent unexpended amounts of cash controlled by employees or technical consultants. The cash is advanced to enable personnel to pay travel expenses or to conduct remote field operations.

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 determined by reference to quoted prices in active markets for identical assets and other relevant information generated by market transactions (also known as Level 1 of the fair value hierarchy).

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.

Notes to Financial Statements

December 31, 2018 and 2017

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.

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 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 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.

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.

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, 2018 and 2017
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 Emily T. Clay Scientific Director Endowment provided clear direction on the use of endowed assets as more fully described in Note 8.

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 principle 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.

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

Contributed 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."

Cost Reimbursement Contracts. Certain government grants are structured as cost reimbursement contracts. The Corporation recognizes 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.

Program Service Revenue. Program service revenues are earned and recognized at the time the service is rendered.

Investment Income and Gains. 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.

Promises to Give

The Corporation provides grants to various organizations under the State of Florida Sea Turtle Grants Program and National Fish and Wildlife 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, 2018 and 2017

Sea Turtle Conservancy, Inc.

NOTE 1 – Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

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

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

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

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

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

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

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

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

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

Notes to Financial Statements
December 31, 2018 and 2017
Sea Turtle Conservancy, Inc.

NOTE 1 – Summary of Significant Accounting Policies (concluded)

Functional Allocation of Expenses (concluded)

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.

Change in Accounting Standards

The Organization implemented Financial Accounting Standards Board Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, in the current year, applying the changes retrospectively. The new standards changed the following aspects of these financial statements:

- The permanent and temporarily restricted net asset classes were combined and have been renamed net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a note about availability and liquidity of financial assets. (See Note 2)
- This change had no effect on total net assets at December 31, 2017.

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.

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>2018</u>	<u>2017</u>
Financial Assets		
Cash	\$ 2,387,744	\$ 1,383,532
Other Investments	42,330	50,191
Receivables	147,465	425,860
Assets Held for Long-Term Investment:		
Cash	199,034	681,523
Investments	1,967,214	1,857,289
Total Financial Assets	4,783,787	4,398,395
Not available for general expenditure:		
Donor restricted endowment funds (Note 8)	(2,158,962)	(2,529,608)
Amounts available for general expenditure within one year	\$ 2,624,825	\$ 1,868,787

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 and in 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.

Notes to Financial Statements
December 31, 2018 and 2017
Sea Turtle Conservancy, Inc.

NOTE 3 – Receivables

Receivables consist of the following:

	<u>2018</u>	<u>2017</u>
Contributions and Royalties	\$ 50,191	\$ 26,863
Cost Reimbursement Grants	93,316	323,836
Program Services Contract	--	75,000
Other	3,958	160
Totals	<u>\$ 147,465</u>	<u>\$ 425,859</u>

NOTE 4 – Structures and Equipment

Structures and Equipment consists of the following:

	<u>2018</u>	<u>2017</u>
Structures	\$ 651,478	\$ 648,878
Equipment	348,428	292,366
Total	999,906	941,244
Accumulated Depreciation	(751,687)	(710,477)
Net	<u>\$ 248,219</u>	<u>\$ 230,767</u>

Approximately 99% of the structures and 23% of the equipment are located in Costa Rica. Approximately 1% of the structures and 6% of the equipment are located in Panama.

NOTE 5 – Investments

Investments are comprised of the following:

	<u>2018</u>	<u>2017</u>
Cash – insured by FDIC	\$ 41,500	\$ 261,424
Mutual Funds – Equity	481,498	762,224
Equity Securities	986,546	883,832
U.S. Government Debt Securities	500,000	--
Total Investments	<u>\$ 2,009,544</u>	<u>\$ 1,907,480</u>

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

	<u>2018</u>	<u>2017</u>
Other Investments	\$ 42,330	\$ 50,191
Investments Restricted to Long-Term Purposes	1,967,214	1,857,289
Total Investments	<u>\$ 2,009,544</u>	<u>\$ 1,907,480</u>

Investment return consists of the following:

	<u>2018</u>	<u>2017</u>
Investment Income	\$ 38,312	\$ 1,601
Management and Investment Fees	(33,111)	(13,864)
Investment Income, Net of Fees	5,201	(12,263)
Net Investment Gains/(Losses)	(288,039)	92,494
Total	<u>\$ (282,838)</u>	<u>\$ 80,231</u>

Notes to Financial Statements
December 31, 2018 and 2017
Sea Turtle Conservancy, Inc.

NOTE 6 – Deferred Revenue

The Corporation held \$452,038 and \$178,924 for direct costs for the lighting program which had not been expended as of December 31, 2018 and 2017, respectively. The revenue will be recognized as the funds are expended in future periods.

NOTE 7 – Net Assets With Donor Restrictions

Net assets with donor imposed restrictions consist of the following:

	<u>2018</u>	<u>2017</u>
Endowment Funds (see Note 8):		
Emily T. Clay - Scientific Director Fund	\$ 1,444,041	\$ 1,831,652
Lisa Jo Randgaard Fund	71,558	62,786
General Fund	643,363	635,170
Total endowment funds	2,158,962	2,529,608
Donations restricted to expenditure for:		
Panama Research and Conservation	\$ 4,000	\$ --
Costa Rica Research and Conservation	12,004	--
International Programs	27,215	55,498
Florida Programs	668,310	761,100
Total purpose restricted contributions	711,529	816,598
Total net assets with donor restrictions	\$ 2,870,491	\$ 3,346,206

The donor to the Emily T. Clay 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.

Original gift amounts to the Randgaard Fund were \$71,324 and \$62,786 as of December 31, 2018 and 2017, respectively. For the General Fund original gift amounts were \$630,556 and \$630,556 as of December 31, 2018 and 2017, 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>2018</u>	<u>2017</u>
Balance – January 1	\$ 2,529,608	\$ 2,541,453
Contributions	8,740	9,188
Net Investment Gain/(Loss)	(283,902)	92,494
Interest and Dividends Income, net of fees	4,516	(13,527)
Grant Disbursements	(100,000)	(100,000)
Balance – December 31	\$ 2,158,962	\$ 2,529,608

NOTE 9 – Leases

Costa Rica. The Corporation entered into a lease for an office in San Jose, Costa Rica, which ended on June 1, 2017. After that date, the terms were on a month-to-month basis. In 2018, the Corporation signed a three year lease for a different office space at \$1,000 per month, expiring March 8, 2021. Total rent paid for 2018 and 2017 was approximately \$13,143 and \$12,805, respectively.

Notes to Financial Statements
December 31, 2018 and 2017
Sea Turtle Conservancy, Inc.

NOTE 9 – Leases (concluded)

Panama. In April 2017, the Corporation signed a one year lease for office space in Panama. In March 2018, the Corporation signed a two year lease for different office space at \$850 per month, expiring March 15, 2020. Total rental payments were \$9,350 and \$8,210 for 2018 and 2017, respectively.

Florida. In addition, the Corporation leases office space in Gainesville, Florida. The current lease agreement ended on December 31, 2013. After that date, the terms were on a month-to-month basis. Rental payments were \$37,794 and \$37,794 for 2018 and 2017, respectively, and will continue until terminated. Subsequent to December 31, 2018, the Corporation entered into a new five year lease for different office space at \$5,615 per month, expiring April 30, 2024. Future minimum lease payments are as follows:

Year Ended December 31,	Executed at December 31, 2018	Executed after December 31, 2018	Totals
2019	\$ 22,200	\$ 44,920	\$ 67,120
2020	14,125	67,380	81,505
2021	3,000	67,380	70,380
2022	--	67,380	67,380
2023	--	67,380	67,380
2024	--	22,460	22,460
Totals	\$ 39,325	\$ 336,900	\$ 376,225

NOTE 10 – 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 grants 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:

	Grants	<u>Administration & Marketing</u>	Total
Balance at December 31, 2016	\$ 512,709	\$ 49,596	\$ 562,305
State Revenue	385,510	192,505	578,015
Interest Revenue	272	--	272
Expenses	--	(188,871)	(188,871)
Grants Awarded	(360,736)	--	(360,736)
Balance at December 31, 2017	\$ 537,755	\$ 53,230	\$ 590,985
State Revenue	395,831	197,665	593,496
Interest Revenue	274	--	274
Expenses	--	(230,109)	(230,109)
Grants Awarded	(393,224)	--	(393,224)
Balance at December 31, 2018	\$ 540,636	\$ 20,786	\$ 561,422

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.

Notes to Financial Statements
December 31, 2018 and 2017
Sea Turtle Conservancy, Inc.

NOTE 11 – Commitments

At December 31, 2018, the Corporation had signed sea turtle grants program contracts (see Note 10) committing to approximately \$169,871 that will be remitted as deliverables are met. In addition, at December 31, 2018, the Corporation committed to approximately \$19,539 of grants related to the Lighting and Rehabilitation programs. Commitments under both of these programs will be satisfied using donor restricted net assets or deferred revenue.

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 \$70,229 and \$68,033 are included in payroll and personnel for 2018 and 2017, respectively.

NOTE 13 – Related Party Transaction

The Corporation incurred investment advisory fees of \$32,051 and \$37,116 for 2018 and 2017, respectively, to an organization co-founded by a previous board member and managed by his family (one member of which is a current board member), of which \$7,287 and \$9,204 was payable at December 31, 2018 and 2017, respectively.

NOTE 14 – Concentrations of Revenue Sources and Credit Risks

For the years ended December 31, 2018 and 2017, approximately 18% and 16%, 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, 2018 and 2017, approximately 21% and 33%, respectively, of the Corporation's total support and revenue were provided by the National Fish and Wildlife Foundation.

For the year ended December 31, 2018 and 2017, approximately 9% and 8% of the Corporation's total support and revenue was provided by Minera Panama Agreement. The amount due on these contracts was \$0 and \$75,000 at December 31, 2018 and 2017, respectively.

Cash and Cash Equivalents include cash in federally insured banks and investments in money market funds. At December 31, 2018 and 2017, the Company had approximately \$1,973,000 and \$1,513,000, respectively, in excess of FDIC insured limits. The Corporation has not experienced any losses in such accounts.

NOTE 15 – Donated Services

The Corporation received 15,231 and 16,243 hours of volunteer services in 2018 and 2017. At \$24.04 and 23.33 per hour in 2018 and 2017, this amounts to \$366,153 and \$378,949 of additional contributions and program service expenses for the years ended December 2018 and 2017, 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

NOTE 16 – Subsequent Events

The Corporation has evaluated events and transactions for potential recognition or disclosure through October 1, 2019, which is the date the financial statements were available to be issued.