

THE TURTLE CONSERVANCY



INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS

DECEMBER 31, 2022

TURTLE CONSERVANCY

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For the Year Ended December 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of The Turtle Conservancy

Opinion

We have audited the financial statements of the Turtle Conservancy (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows 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 Turtle Conservancy as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Turtle Conservancy 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 Turtle Conservancy's ability to continue as a going concern for one year after the date that the financial statements are 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 auditors' 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 Turtle Conservancy'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 Turtle Conservancy'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.

Hinricher & Cousino LLP

Thousand Oaks, California
November 14, 2023

TURTLE CONSERVANCY
STATEMENT OF FINANCIAL POSITION
December 31, 2022

ASSETS

Current assets:	
Cash and restricted cash	\$ 595,037
Pledges and accounts receivable	28,198
Inventory	72,408
Investments	13,404
Right of use asset, current portion	129,953
Total current assets	839,000
Property and equipment, net of accumulated depreciation	575,614
Other assets:	
Prepaid expenses and other assets	55,598
Intangible assets, net of accumulated amortization	100,423
Right of use asset, long-term	1,470,984
	1,627,005
Total assets	\$ 3,041,619

LIABILITIES

Current liabilities:	
Accounts payable	\$ 100,092
Accrued expenses and other liabilities	58,655
Lease liability, current portion	129,953
Total current liabilities	288,700
Long-term liabilities	
Note payable	804,338
Lease liability, long-term	1,470,984
Total long-term liabilities	2,275,322
Total liabilities	2,564,022

NET ASSETS

Net assets:	
Without donor-imposed restrictions	13,369
With donor-imposed restrictions	464,228
Total net assets	477,597
Total liabilities and net assets	\$ 3,041,619

See accompanying independent auditors' report and notes to financial statements.

TURTLE CONSERVANCY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

	Without Donor Imposed Restrictions	With Donor Imposed Restriction	Total
Public support, revenue, and reclassifications			
Contributions	\$ 1,610,702	\$ 362,665	\$ 1,973,367
Sales, net of costs of \$14,092	(1,470)	0	(1,470)
Membership fees	121,400	0	121,400
Investment income	(4,152)	0	(4,152)
Miscellaneous income	39,365	0	39,365
Paycheck protection program loan forgiveness	140,585	0	140,585
Net assets released from restrictions	747,370	(747,370)	0
Total support, revenue, and reclassifications	<u>2,653,800</u>	<u>(384,705)</u>	<u>2,269,095</u>
Expenses			
Program services	2,187,454	0	2,187,454
Fundraising expenses	113,490	0	113,490
Supporting services			
Management and general	148,946	0	148,946
Total expenses	<u>2,449,890</u>	<u>0</u>	<u>2,449,890</u>
Change in net assets	203,910	(384,705)	(180,795)
Net assets at beginning of year	<u>(190,541)</u>	<u>848,933</u>	<u>658,392</u>
Net assets at end of year	<u>\$ 13,369</u>	<u>\$ 464,228</u>	<u>\$ 477,597</u>

See accompanying independent auditors' report and notes to financial statements.

TURTLE CONSERVANCY

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (180,795)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation and amortization	88,178
Donated cryptocurrency	(11,118)
Unrealized (gains)/losses on investments	4,152
Paycheck protection program loan forgiveness	(140,585)
(Increase) or decrease in:	
Pledges and accounts receivable	(12,428)
Inventory	(7,764)
Prepaid expense & other assets	(21,409)
Increase or (decrease) in:	
Accounts payable	(12,613)
Other liabilities	384
	<hr/>
Net cash provided by (used in) operating activities	(293,998)
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(12,184)
	<hr/>
Net cash provided by (used in) financing activities	(12,184)
	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on notes payable	(266,667)
Proceeds from notes payable	269,212
	<hr/>
Net cash provided by (used in) financing activities	2,545
	<hr/>
Total increase (decrease) in cash	(303,637)
Cash and restricted cash, beginning of year	898,675
	<hr/>
Cash and restricted cash, end of year	\$ 595,038
	<hr/> <hr/>
Reconciliation of cash and restricted cash:	
Cash - operation	\$ 130,810
Program related restricted cash	464,228
	<hr/>
	\$ 595,038
	<hr/> <hr/>
Supplemental Information:	
Interest paid	\$ 3,156
Income taxes paid	\$ 0
The PPP loan was forgiven in accordance with the CARES Act during the year.	\$ 140,585

See accompanying independent auditors' report and notes to financial statements.

TURTLE CONSERVANCY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

	Program Expenses								Supporting Services			
	BCC	Bolson	Bolson		Global	Pritchard Collection	Yniphora	Other Programs	Total Programs	General &		Total
			USA	Geometric						Administrative	Fundraising	
Payroll and related expenses	\$ 285,675	\$ 3,108	\$ 3,727	\$ 36,557	\$185,078	\$ 20,383	\$ 7,064	\$ 49,786	\$ 591,378	\$ 58,514	\$ 75,514	\$ 725,406
Advertising & marketing	2,187	0	0	0	20	0	0	48	2,255	1,182	8,927	12,364
Animal adoption expense	47	0	0	0	0	0	0	508	555	0	0	555
Animal care & supplies	48,539	0	0	0	0	0	0	0	48,539	0	0	48,539
Auto expenses	4,596	0	0	216	31	0	0	150	4,993	0	0	4,993
Bank fees	2,532	5	0	99	29	15	0	38	2,718	988	3,389	7,095
Communications	2,083	0	0	36	0	0	0	185	2,304	3,745	0	6,049
Computer equipment & software	232	0	0	29	531	0	0	18	810	3,075	2,571	6,456
Conferences & Conventions	0	0	0	0	2,832	0	0	0	2,832	0	0	2,832
Dues & subscriptions	1,741	0	0	0	3,109	0	0	0	4,850	0	3,827	8,677
Global education programs	1,025	0	0	26	53,239	27	0	0	54,317	0	0	54,317
Grant giving	0	65,725	10,000	549,723	10,000	0	0	141,580	777,028	0	0	777,028
Housekeeping services	421	0	0	0	0	0	0	0	421	787	0	1,208
Insurance	34,373	0	0	0	0	0	0	0	34,373	5,217	0	39,590
Interest	0	0	0	0	0	2,544	0	0	2,544	612	0	3,156
License and taxes	907	0	0	452	0	0	0	215	1,574	740	0	2,314
Meals and entertainment	2,047	0	0	1,615	838	11	0	515	5,026	13,406	158	18,590
Membership expenses	40,078	0	0	0	0	0	0	0	40,078	0	2,187	42,265
Miscellaneous	456	0	0	0	0	0	0	0	456	0	5,685	6,141
Office supplies	634	0	0	80	533	14	0	0	1,261	994	1,411	3,666
Postage & mailing service	462	135	0	0	0	50	0	0	647	358	3,529	4,534
Printing and copying	172	0	0	0	73	0	0	0	245	419	0	664
Professional services	15,893	15,867	128	2,349	2,341	521	0	404	37,503	43,822	5,510	86,835
Project expenses	0	2,603	0	3,411	0	0	0	12,134	18,148	0	0	18,148
Rent	210,000	0	0	0	0	0	0	0	210,000	0	0	210,000
Repairs and maintenance	110,851	76	0	0	0	0	0	0	110,927	0	0	110,927
Small equipment	2,058	0	0	828	119	603	0	0	3,608	0	0	3,608
Security & Alarm	2,299	0	0	0	0	333	0	0	2,632	0	0	2,632
Supplies	22,743	0	0	480	55	3,518	0	0	26,796	312	782	27,890
Travel expenses	11,955	0	0	4,915	2,637	0	0	1,297	20,804	12,433	0	33,237
Utilities	85,070	0	0	0	0	0	0	0	85,070	0	0	85,070
Veterinary expense	6,926	0	0	0	0	0	0	0	6,926	0	0	6,926
Total expenses before depreciation and amortization	896,002	87,519	13,855	600,816	261,465	28,019	7,064	206,878	2,101,618	146,604	113,490	2,361,712
Depreciation and amortization	71,617	3,642	0	0	1,051	3,017	6,509	0	85,836	2,342	0	88,178
Total expenses	\$ 967,619	\$ 91,161	\$ 13,855	\$600,816	\$262,516	\$ 31,036	\$ 13,573	\$206,878	\$2,187,454	\$ 148,946	\$113,490	\$ 2,449,890

See accompanying independent auditors' report and notes to financial statements.

TURTLE CONSERVANCY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

NOTE 1 – DESCRIPTION OF ORGANIZATION

The Turtle Conservancy (the "TC") is dedicated to protecting the world's most endangered tortoises and turtles and their habitats through innovative and strategic conservation, land preservation, training, education, field programs, and targeted assurance colonies. The TC is supported primarily through donor contributions.

The TC was organized May 21, 2005, as a not-for-profit corporation in California under Section 501 (c)(3) of the Internal Revenue Code. Presently the TC would need to substantially scale back its operations without the financial support of its founder (See notes 3 and 8).

During the year ended December 31, 2022, the TC funded the following programs:

International Animal and Land Conservation - The TC, along with its partner organizations, is responsible for managing and funding several international programs, with the 2 largest based in (a) Mexico - the 43,540 acre San Ignacio preserve in the Bolson de Mapimi and 18,600 acres of the nearby Guimbaleta preserve in the Chihuahuan Desert of northern Mexico to protect the critically endangered Bolson Tortoise and (b) South Africa - the Geometric Program has a preserve in the Breede River Valley, east of Cape Town, which is understood to be one of the last habitats with a viable population of the Geometric Tortoise. In 2022 the TC and its partners added an additional 222 acres, expanding the preserve to a total of 1,087 acres. In addition, the TC provides practical and financial support for turtle conservation projects implemented by partner organizations in Argentina, Madagascar, the Philippines, and elsewhere.

Captive Breeding Program - Based in Southern California, the TC breeds a great number of critically endangered turtles and tortoises in terms of combined species and numbers. We manage 26 of the world's most endangered species, and have over 600 animals belonging to 44 different species. During 2022 we hatched 74 endangered turtles and tortoises. The center creates a long-term plan for each species that we hold and breed and defines the desired outcome in terms of potential need for repatriation, reintroduction, or other conservation needs.

Local and Global Education - During 2022, the TC proceeded to expand its education program by continuing our collaboration with a local high school, The Thacher School, to develop a pioneering scientific curriculum through the lens of turtles. The students study many topics including chelonian husbandry, conservation, ecosystems, and animal biology. The TC partnered with The Thacher School to run a summer camp for middle school children from underserved communities from Los Angeles County and surrounding areas. Due to the camp's success in 2022, this is now planned to be an annual event.

Pritchard Collection – Following the TC's acquisition in 2020 of the Chelonian Research Institute (CRI) and its entire catalog and museum-piece collection (Dr. Peter Pritchard's collection), the TC has continued to catalogue and preserve 14,000 specimens, representing 270 of the world's approximately 350 recognized species of turtles.

TURTLE CONSERVANCY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

NOTE 1 – DESCRIPTION OF ORGANIZATION (Continued)

Promoting Appreciation for the Wonder of Turtles Worldwide - To inspire conservation awareness and action to save the world's turtles and tortoises, the TC used a number of different approaches during 2022:

- (1) publication of *The Tortoise*, Volume 3, Number 3 - a cutting edge conservation magazine bringing additional awareness to an ever-increasing global audience.
- (2) global media outreach through public service announcements and documentaries.
- (3) social media - this program reaches people worldwide with 176,000 followers on Facebook, 22,000 followers on Twitter and 139,000 followers on Instagram. The TC also publishes a monthly newsletter that is emailed out to 11,000 subscribers.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The TC presents its financial statements in accordance with Generally Accepted Accounting Principles (“GAAP”) for not-for-profit organizations. Under this guidance, the TC is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor-imposed restrictions and net assets with donor-imposed restrictions. In addition, the TC is required to present a statement of cash flows and a statement of functional expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities (e.g. the fair value of financial instruments, potential impairments to fixed assets and accrued expenses) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Contributed Services

Contributions of donated services that create or enhance assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

The TC received a significant amount of donated services from unpaid volunteers who assist with the TC's program services and its fundraising campaigns. No amounts have been reflected in the financial statements for these services because the criteria for recognition have not been satisfied.

In-Kind Contributions

Contributions of non-cash goods and similar items, such as advertising, are recorded at the estimated fair value on the date of the contribution. Contributions of services that (1) create or enhance non-financial assets or those that require specialized skills, (2) are provided by individuals possessing those skills, and

TURTLE CONSERVANCY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(3) would typically need to be purchased if not provided by donation are recorded at their fair value in the period received. For the year ended December 31, 2022, there were no non-cash in-kind donations.

Support and Revenue

In conformity with GAAP, contributions received are recorded as without donor-imposed restrictions support or with donor-imposed restrictions support, depending on the existence and/or nature of any donor restrictions. Donor-imposed support is reported as an increase in net assets with donor-imposed restrictions. When a restriction expires (that is, when stipulated time restrictions end, or purpose of restriction is accomplished), net assets with donor-imposed restrictions are reclassified as net assets without donor-imposed restrictions. If donor-restricted support whose restrictions are met in the same reporting period, such support is reported as without donor-imposed support on the Statement of Activities.

Unconditional Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decrease of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Cash and Cash Equivalents

The TC considers cash and short-term deposits to include all stable highly liquid instruments with an original maturity date of three months or less. At December 31, 2022, the TC had no cash equivalents.

Investments

The TC presents its investments in accordance with GAAP for not-for-profit organizations. Under this guidance investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets and are allocated among the two classifications of net assets.

Inventory

Inventory consists of magazines for sale which are carried at the lower of cost or market. Cost is determined using the first in, first out method.

Museum and Exhibit Collections

The collections are held in furtherance of public service and education, kept unencumbered, cared for, and preserved and any proceeds of collection items sold will be used to acquire other items for collections and/or for direct care of existing collection pieces. Under GAAP guidance collections held for these purposes do not require capitalization on the statement of financial position.

The Pritchard collection was acquired during the year ended December 31, 2020, for an agreed upon price of \$800,000 (See note 1). It is management's intention to preserve the collection and to display the collection for public education in a museum type setting at the Ojai, California location. Accordingly, the TC has not capitalized its acquisitions of museum and exhibit collections.

TURTLE CONSERVANCY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Purchased property and equipment are stated at cost. Donated property is stated at fair market value at the date of acquisition. Such donations are reported as unrestricted revenue unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted revenue. Depreciation is computed using the straight-line method for financial statement purposes over estimated useful lives of twenty years for buildings and improvements and five years for furniture and equipment.

Expenditures for maintenance and repairs are charged directly to the appropriate operating account at the time the expense is incurred. Expenditures determined to represent additions and betterments are capitalized.

Income Tax

The TC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal and state income taxes in the accompanying financial statements. In addition, the Internal Revenue Service has determined that the TC is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the year ended December 31, 2022. As of December 31, 2022, the TC's information returns generally remain open for 3 fed, 4 CA.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs for the year ended December 31, 2022, was \$12,364.

Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statement of functional expenses. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Directly identifiable expenses are charged to programs and supporting activities. Expenses related to more than one function are allocated to programs and supporting services based on the ratio of each activity's direct salary costs to total direct salary costs for all activities. These are called shared costs and includes telephone and other various costs.

Application of New Accounting Standard

In February 2016, FASB issued ASU 2016-02, *Leases*. ASU 2016-02 requires entities to recognize all leased assets, with a corresponding liability, on the statement of financial position. Entities will also be required to present additional disclosures regarding the nature and extent of leasing activities. The requirements of this ASU are effective for the TC for the fiscal year beginning after December 15, 2021. The TC adopted the new standard for the year ended December 31, 2022 (see Note 7 for additional guidance).

TURTLE CONSERVANCY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

NOTE 3 – CONCENTRATION OF CREDIT RISK

The TC maintains bank accounts at one high credit quality financial institution. Accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). At times, the account balances may exceed the institution's federally insured limits. At December 31, 2022, the TC had \$56,031 of uninsured cash.

For the year ended December 31, 2022, the founder of the TC contributed \$1,220,300 which represents 54% of total revenue and contributions.

NOTE 4 – INVENTORY

At December 31, 2022, inventory at cost consisted of printed issues of the Tortoise magazine and merchandise totaling \$72,408.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2022:

Buildings and improvements	\$1,146,073
Equipment	224,698
Furniture and fixtures	113,051
	<u>1,483,822</u>
Less accumulated depreciation	<u>(908,208)</u>
	<u>\$ 575,614</u>

Depreciation expense for the year ended December 31, 2022, was \$80,569.

NOTE 6 – INTANGIBLE ASSETS

At December 31, 2022, intangible assets consist of capitalized costs related to obtaining a conditional use permit from the County of Ventura. At December 31, 2022, the costs, net of accumulated amortization of \$56,557, was \$100,423. Amortization expense for the year ended December 31, 2022, was \$7,609.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The TC leases its facilities in Ojai, California from a related party pursuant to a 10-year lease that expired on October 31, 2022 (See note 8). The lease was extended for another ten years and expires on October 31, 2032. Future undiscounted minimum lease commitments are as follows:

TURTLE CONSERVANCY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

NOTE 7 – COMMITMENTS AND CONTINGENCIES (Continued)

Years ending December 31,	
2023	\$ 210,000
2024	210,000
2025	210,000
2026	210,000
2027	210,000
Thereafter	1,015,000
	<u>\$ 2,065,000</u>

For the year ended December 31, 2022, rent expense paid to the related party was \$210,000. TC is also responsible for utilities and insurance costs. For the year ended December 31, 2022, utilities and property insurance expenses were \$104,451.

	<u>2022</u>
Undiscounted right of use asset/lease liability	\$ 2,065,000
Less amortized discount	(464,063)
Net balance of right of use asset/lease liability	<u>\$ 1,600,937</u>

ASC 842 requires that all leases which are longer than one year be recorded as right of use assets and lease liabilities on the statement of financial position. A right of use asset is an asset that the lessee, the TC, has the right to use during the agreed-upon lease term. The lease is also recorded as a lease liability, meaning that the TC is obligated to complete the agreed upon payments at a discount to the present value.

NOTE 8 – RELATED PARTY TRANSACTIONS

The TC pays rent to McNell (see Note 7). For the year ended December 31, 2022, the amount of rent paid to McNell was \$210,000.

On November 1, 2020, the TC signed a promissory note with the founder of the TC. For the year ended December 31, 2022, the balance was \$804,338. See Note 9 for details.

For the year ended December 31, 2022, the TC received contributions totaling \$1,220,300 from its founder.

The TC does business with other foreign non-profit organizations where the TC and/or CEO is part of the board of the foreign non-profit organizations. Under GAAP, we determined that there was no need to consolidate the financials.

TURTLE CONSERVANCY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

NOTE 9 – NOTE PAYABLE

On November 1, 2020 the TC signed a nine-year promissory note with the founder of the TC for the principal sum of one million dollars (\$1,000,000). Out of this amount, \$804,338 has been withdrawn. The note bears interest of 0.39% per annum. No monthly or annual payments are due on the note until November 1, 2029, at which time the entire balance is due with accrued interest. The note may be prepaid at any time without penalty. All payments are to be applied first to accrued and unpaid interest and then to reduction of the principal balance. Payments of interest and principal may be wholly in kind or in money or partly in kind and partly in money. None of the TC assets are pledged as collateral. At December 31, 2022, the principal and accrued interest balance was \$804,338.

NOTE 10 – PAYCHECK PROTECTION PROGRAM (PPP) LOAN

On February 24, 2021, the TC obtained a Paycheck Protection Program (“PPP”) loan from Chase Bank in the amount of \$140,585. Payments on the loan do not begin until ten-months after the 24-week covered period ends which is expected to be June 2022. The interest rate is one-percent (1%) per annum and there are no assets pledged as collateral. Under the terms of the PPP loan, the TC was able to apply for forgiveness of the loan if the TC meets certain requirements. On June 16, 2022, the Small Business Administration (“SBA”) notified the TC that the PPP loan was forgiven.

NOTE 11 – NET ASSETS WITH DONOR IMPOSED RESTRICTIONS

At December 31, 2022, net assets with donor-imposed restrictions are restricted for the following purposes:

Subject to expenditure for a specified purpose:	
In Situ	\$ 49,048
Geometric	120,314
Bolson	33,463
Yniphora Program	196,363
Other Programs	65,040
	<u>\$ 464,228</u>

NOTE 12 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The TC monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The TC has the following financial assets that could readily be made available within one year of the statement of financial position to fund expenses:

TURTLE CONSERVANCY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

NOTE 12 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

Cash - Operations	\$ 130,810
Pledges and accounts receivable	28,198
Investments	<u>13,404</u>
	<u>\$ 172,412</u>

In addition to financial assets available to meet general expenditures over the year, the TC operates with a balanced budget and anticipates covering its general expenditures through contributions, merchandise sales, and tours.

NOTE 13 – EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 14, 2023, which is the date the financial statements were available to be issued.