



*Report of Independent Auditors and  
Financial Statements*

**Turtle Island Restoration Network**

*June 30, 2022 and 2021*

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## **Report of Independent Auditors**

To the Board of Directors  
Turtle Island Restoration Network

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Turtle Island Restoration Network (the “Organization”), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 Organization as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (“GAAS”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Organization’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditor's 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

The image shows a handwritten signature in black ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

San Francisco, California  
February 23, 2023

## **Financial Statements**

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**Turtle Island Restoration Network**  
**Statements of Financial Position**  
**June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,025,886	\$ 962,147
Accounts receivable	383,099	339,658
Prepaid expenses and deposits	<u>50,309</u>	<u>43,646</u>
Total current assets	1,459,294	1,345,451
INVESTMENTS	859,411	944,407
FIXED ASSETS, net	<u>2,260,590</u>	<u>1,787,135</u>
Total assets	<u>\$ 4,579,295</u>	<u>\$ 4,076,993</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 139,577	\$ 85,002
Accrued expenses	152,478	152,792
Deferred revenue	168,112	225,296
Line of credit	<u>450,000</u>	<u>-</u>
Total current liabilities	910,167	463,090
NET ASSETS		
Without donor restrictions	3,571,636	3,421,940
With donor restrictions	<u>97,492</u>	<u>191,963</u>
Total net assets	<u>3,669,128</u>	<u>3,613,903</u>
Total liabilities and net assets	<u>\$ 4,579,295</u>	<u>\$ 4,076,993</u>

**Turtle Island Restoration Network**  
**Statement of Activities and Changes in Net Assets**  
**Year Ended June 30, 2022**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Grants and awards	\$ 250,000	\$ 163,511	\$ 413,511
Contributions	1,234,570	-	1,234,570
Program services income	1,745,340	-	1,745,340
In-kind donations	1,143,794	-	1,143,794
Investment return, net	(97,737)	-	(97,737)
Other income, net	75,584	-	75,584
Net assets released from restrictions	257,982	(257,982)	-
Total revenues, gains, and other support	<u>4,609,533</u>	<u>(94,471)</u>	<u>4,515,062</u>
<b>EXPENSES</b>			
Program services	4,024,736	-	4,024,736
General and administrative	364,172	-	364,172
Fundraising	70,929	-	70,929
Total expenses	<u>4,459,837</u>	<u>-</u>	<u>4,459,837</u>
<b>CHANGE IN NET ASSETS</b>	<u>149,696</u>	<u>(94,471)</u>	<u>55,225</u>
<b>NET ASSETS, beginning of year</b>	<u>3,421,940</u>	<u>191,963</u>	<u>3,613,903</u>
<b>NET ASSETS, end of year</b>	<u><u>\$ 3,571,636</u></u>	<u><u>\$ 97,492</u></u>	<u><u>\$ 3,669,128</u></u>

**Turtle Island Restoration Network**  
**Statement of Activities and Changes in Net Assets**  
**Year Ended June 30, 2021**

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	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
REVENUES, GAINS, AND OTHER SUPPORT			
Grants and awards	\$ 250,000	\$ 373,999	\$ 623,999
Contributions	798,889	-	798,889
Program services income	1,641,573	-	1,641,573
In-kind donations	1,149,757	-	1,149,757
Investment return, net	83,541	-	83,541
Gain on forgiveness of loan payable - PPP	144,935	-	144,935
Other income, net	1,680	-	1,680
Net assets released from restrictions	712,342	(712,342)	-
	<u>4,782,717</u>	<u>(338,343)</u>	<u>4,444,374</u>
Total revenues, gains, and other support			
EXPENSES			
Program services	3,653,455	-	3,653,455
General and administrative	360,762	-	360,762
Fundraising	76,733	-	76,733
	<u>4,090,950</u>	<u>-</u>	<u>4,090,950</u>
Total expenses			
CHANGE IN NET ASSETS	<u>691,767</u>	<u>(338,343)</u>	<u>353,424</u>
NET ASSETS, beginning of year	<u>2,730,173</u>	<u>530,306</u>	<u>3,260,479</u>
NET ASSETS, end of year	<u>\$ 3,421,940</u>	<u>\$ 191,963</u>	<u>\$ 3,613,903</u>



**Turtle Island Restoration Network**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2022**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries & wages	\$ 536,536	\$ 68,630	\$ 49,705	\$ 654,871
Employee benefits	78,480	10,039	7,270	95,789
Payroll taxes	49,053	6,275	4,544	59,872
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Subtotal personnel	664,069	84,944	61,519	810,532
Depreciation	30,930	936	678	32,544
Dues, fees, & other charges	71,457	25,730	819	98,006
Insurance	81,609	2,591	1,876	86,076
Maintenance & repairs	13,043	414	300	13,757
Newsletters & communications	386,278	33,589	-	419,867
Occupancy	25,532	811	587	26,930
Contracted services	50,900	4,824	3,493	59,217
Postage	3,838	122	88	4,048
Professional fees	1,016,256	208,045	-	1,224,301
Research activities	70,900	-	-	70,900
Restoration	1,547,516	-	-	1,547,516
Supplies	57,932	1,839	1,332	61,103
Travel	1,615	51	37	1,703
Other	2,861	276	200	3,337
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 4,024,736</u>	<u>\$ 364,172</u>	<u>\$ 70,929</u>	<u>\$ 4,459,837</u>

**Turtle Island Restoration Network**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2021**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries & wages	\$ 590,872	\$ 72,524	\$ 53,247	\$ 716,643
Employee benefits	83,403	10,237	7,516	101,156
Payroll taxes	52,153	6,401	4,700	63,254
Subtotal personnel	726,428	89,162	65,463	881,053
Depreciation	27,370	839	617	28,826
Dues, fees, & other charges	39,148	31,387	779	71,314
Insurance	67,017	2,054	1,510	70,581
Maintenance & repairs	8,015	246	181	8,442
Newsletters & communications	249,184	67,959	6,472	323,615
Occupancy	30,829	744	547	32,120
Contracted services	13,491	600	441	14,532
Postage	4,885	150	110	5,145
Professional fees	1,002,893	166,788	-	1,169,681
Research activities	52,543	-	-	52,543
Restoration	1,404,372	-	-	1,404,372
Supplies	23,472	719	529	24,720
Travel	3,706	114	84	3,904
Other	102	-	-	102
Total expenses	<u>\$ 3,653,455</u>	<u>\$ 360,762</u>	<u>\$ 76,733</u>	<u>\$ 4,090,950</u>

**Turtle Island Restoration Network**  
**Statements of Cash Flows**  
**Years Ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 55,225	\$ 353,424
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	32,544	28,826
Investment return, net	97,737	(83,541)
Gain on forgiveness of loan payable - PPP	-	(144,935)
Donated land	-	(67,000)
Changes in operating assets and liabilities:		
Accounts receivable	(43,441)	24,349
Prepaid expenses and deposits	(6,663)	16,524
Accounts payable	54,575	18,645
Accrued expenses	(314)	3,869
Deferred revenue	(57,184)	18,852
Net cash provided by operating activities	132,479	169,013
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investment	(12,741)	(391,684)
Purchases of fixed assets	(505,999)	(6,845)
Net cash used in investing activities	(518,740)	(398,529)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on notes payable	-	(242,220)
Borrowings on line of credit	450,000	-
Net cash provided by (used in) financing activities	450,000	(242,220)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	63,739	(471,736)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	962,147	1,433,883
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 1,025,886	\$ 962,147
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for taxes	\$ 18,752	\$ 30,987
Cash paid during the year for interest	\$ 4,927	\$ 14,019

# Turtle Island Restoration Network

## Notes to Financial Statements

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### NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Turtle Island Restoration Network (Turtle Island, the “Organization”) is a California nonprofit public benefit corporation formed in 1997. Turtle Island Restoration Network is a leading advocate for the world’s endangered marine wildlife. The Organization’s work is based on science, fueled by people who care, and effective at protecting wildlife and habitats. The Organization focuses on catalyzing long-lasting positive changes that protect endangered species including wild Coho salmon, sea turtles, dolphins, whales, and sharks and extend to their watershed and ocean habitats.

Turtle Island preserves and restores critical habitats from the redwood-forested creek banks of West Marin, to the biologically rich waters of Cocos Island, Costa Rica, to the shores of the Gulf of Mexico and around the globe. The Organization accomplishes its mission through grassroots empowerment, hands-on conservation, biological research and monitoring, strategic litigation, habitat restoration, environmental education, and by promoting science-based local, national, and international marine policies.

Turtle Island is primarily funded by grants and contracts from foundations and government entities as well as donations from individuals.

Turtle Island is headquartered on National Park Service land in Olema, California, with offices in Texas. The Organization’s community includes more than 200,000 members, volunteers, and activists who power the Organization’s hands-on conservation and policy work around the globe, multiplying its resources and amplifying the work it accomplishes with its relatively modest budget and staff.

#### Program Services

*Oceans Protection Programs (“OCEANS”)* – Nationally and internationally, Turtle Island works to recover endangered marine species through hands-on conservation, research, and advocacy campaigns. Since 1989, it has worked to protect and restore populations of endangered sea turtles and their habitats. Today the Organization uses its successful strategies to safeguard whales, dolphins, seals, seabirds, sharks, and fish, as well, and all human communities that rely on the oceans for nourishment.

The Organization works to reform fisheries, create marine protected areas, safeguard key sea turtle nesting beach habitats, build community engagement, and educate more than 3,000 students each year. These efforts extend from its Northern California headquarters office to the waters of the Pacific off California and Hawaii, to Texas and the Gulf of Mexico, to Costa Rica, Ecuador, and the Eastern Tropical Pacific Seascape and beyond to other key ocean habitats.

*Salmon Protection and Watershed Network (“SPAWN”)* – Turtle Island’s headquarters are based in Marin County, California, where the largest surviving population of the critically endangered wild Coho salmon migrates and spawns. Through SPAWN, the Organization engages hundreds of volunteers each year to raise native plants and restore watershed habitat. It monitors spawning salmon and juvenile survival, assists landowners to protect creeks from erosion, and educates the public. It secures major wildlife agency grants for salmon habitat restoration. It also acquires land to protect watersheds and provides field and classroom watershed education to more than 500 San Francisco Bay Area students each year.

Through the Organization’s residential internship program, it mentors recent college graduates as they begin conservation careers. It also advocates for fish-friendly public policies.

# Turtle Island Restoration Network

## Notes to Financial Statements

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Through its 10,000 Redwoods Project (10000redwoods.org), Turtle Island engages community members in the San Francisco Bay Area, and beyond, to address climate change by adopting and raising native redwood trees. Redwood forests sequester more climate-changing carbon than any other forest and also provide the cool, clear forested streams that salmon need to survive. With its community, SPAWN is raising thousands of native trees in its plant nurseries, and planting them to restore watersheds around the Bay Area.

**Basis of presentation** – The financial statements of the Organization are presented in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

**Net assets** – Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization classifies net assets and changes in net assets as follows:

*Without donor restrictions* – Net assets for use in general operations and not subject to donor-imposed restrictions. Other than restrictions designated by the Board of Directors of the Organization, the only limits on net assets without donor restrictions are broad limits resulting from the Organization’s purpose specified in its articles of incorporation or bylaws and, perhaps, limits resulting from contractual agreements. Release of funds designated as Board-restricted may only be done by authority of the Board. As of June 30, 2022 and 2021, there were no net assets with Board designation.

*With donor restrictions* – Represent contributions and other assets whose use are limited by donor-imposed restrictions. Some restrictions are temporary in nature, in that they either expire by the passage of time or by the fulfillment of certain actions pursuant to those stipulations or law. Gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Other donor restrictions are permanent as they neither expire by passage of time nor can be fulfilled or otherwise removed. Income from these assets can be with or without restrictions based on donor stipulations or law.

**Cash and cash equivalents** – Cash and cash equivalents consist of cash on hand and highly liquid investments with original or remaining maturities of three months or less at the time of purchase.

**Accounts receivable** – Accounts receivable is valued at net realizable value. The Organization provides various program services to agencies for conservation services. The Organization’s management considers all accounts receivable to be fully collectible within one year. Accordingly, no allowance for doubtful accounts has been established at June 30, 2022 and 2021.

**Investments** – Investments are stated at fair value and consist of equity securities, government securities, corporate bonds and notes, certificates of deposit, and municipal securities. Realized and unrealized gains and losses on investments, dividends, and interest income are included in investment return, net, on the statements of activities and changes in net assets. See Note 3 for investments fair value.

**Fixed assets, net** – Fixed assets are recorded at cost when purchased or at estimated fair market value when donated. It is the Organization’s policy to capitalize items that have a life greater than two years and a cost of \$1,000 or more. Depreciation is calculated using the straight-line method over the asset’s estimated useful life, which ranges from five to forty years. As of June 30, 2022 and 2021, management evaluated fixed assets for impairment, and concluded that the carrying value was recoverable.

## Turtle Island Restoration Network

### Notes to Financial Statements

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**Revenue recognition** – Revenue from program services are recognized to the extent of allowable expenses related to the contract when incurred and performance obligations are satisfied. Contribution revenue from research expeditions utilizing citizen scientists are recognized when the trips are complete. In-kind revenue are recognized as services are incurred and recognized at the estimated fair market value. Grant revenue are recognized as grant funding are received or unconditionally promised. Grants are initially reported as an increase in net assets without donor restrictions, or with donor restrictions if they are received with stipulations that restricts the use of the assets. When restrictions expire (generally as payments are made to fulfill the grantor-imposed purpose of the grant), net assets with donor restrictions are reclassified to net assets without restrictions and reported in the statements of activities and changes in net assets, as net assets released from restriction. Any excess of expenses over cash received is recorded as accounts receivable, if appropriate; any excess of cash received over expenses is recorded as deferred revenue. Advance payments and signed agreements are classified as deferred revenue and recognized as revenue upon the expenditure of allowable costs or completion of the stages of the projects.

**Functional expenses** – The costs of providing the program services and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets and in the statements of functional expenses. Expenses that can be directly identified with a specific function are allocated directly to that function. Expenses that cannot be directly identified with a specific function are allocated among the program services and the supporting services activities benefited based upon employee time and effort recorded on functions related to the specific activity, or in the case of shared expenses, using an allocation based on personnel costs, space usage, or other relevant bases.

**Use of estimates** – In preparing financial statements in conformity with U.S. GAAP, the Organization's management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates under different assumptions or conditions.

**Concentration of credit risk** – The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from donors supportive of the Organization's mission. Investments are made by diversified investment managers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Accounts receivable consist primarily of unsecured amounts due from individuals, corporations, foundations, and government agencies. As of June 30, 2022 and 2021, approximately 72% and 59%, respectively, of accounts receivable were from two and three organizations, respectively.

**Income taxes** – The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Code. The Organization is considered a publicly supported organization. Accordingly, no provision for federal or California income tax is reflected in the accompanying financial statements.

## Turtle Island Restoration Network

### Notes to Financial Statements

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The Organization recognizes the effects of its income tax positions only if those positions are more likely than not of being sustained. The Organization has evaluated its tax positions and has concluded as of June 30, 2022 and 2021, that the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

**COVID-19 pandemic** – In March 2020, the World Health Organization declared the novel coronavirus (“COVID-19”) a global pandemic and recommended containment and mitigation measures worldwide. The related adverse public health developments, including orders to shelter-in-place, travel restrictions, and mandated business closures, have adversely affected workforces, organizations, their clients, economies, and financial markets globally, leading to increased market volatility and disruptions in normal business operations, including the Organization’s operations.

The Organization’s management has been closely monitoring the impact of COVID-19 on the Organization’s operations, including the impact on its funding, contracts, and staff. The duration of the pandemic is uncertain but may influence its funding and contributions.

**Recent accounting pronouncements** – In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases (Topic 842)*, which increases transparency and comparability among entities by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements in the financial statements of lessees. The effective date of ASU No. 2016-02 was deferred for the Organization by ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, to fiscal years beginning after December 15, 2021. Management is currently evaluating the impact of the provisions of these ASUs on its financial statements.

**Recently adopted accounting pronouncements** – Effective July 1, 2021, the Organization adopted FASB ASU No. 2020-07, *Not-For-Profit Entities (Topic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*, which increases the transparency of contributed nonfinancial assets for not-for-profit organizations through enhancements to presentation and disclosure. The update addresses certain stakeholders’ concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by not-for-profit organizations, as well as the amount of those contributions used in a not-for-profit organization’s programs and other activities. Note 8 to the financial statements has been updated to reflect the impact of the provisions of ASU No. 2020-07.

**Subsequent events** – Subsequent events are events or transactions that occur after the statements of financial position date, but before the financial statements are available to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statements of financial position, including the estimates inherent in the process of preparing the financial statements. The Organization’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statements of financial position but arose after the statements of financial position date and before the financial statements were available to be issued.

The Organization has evaluated subsequent events through February 23, 2023, which is the date the financial statements were available to be issued.

# Turtle Island Restoration Network

## Notes to Financial Statements

### NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditures, that is without donor-imposed restriction or other restrictions limiting their use, within one year of the statements of financial position at June 30, 2022 and 2021, consist of the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,025,886	\$ 962,147
Accounts receivable	<u>383,099</u>	<u>339,658</u>
Net financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,408,985</u>	<u>\$ 1,301,805</u>

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statements of financial position date. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

### NOTE 3 – INVESTMENTS

In accordance with generally accepted accounting principles, the Organization uses the following prioritized input levels to measure fair value. The input levels used for valuing instruments are not necessarily an indication of risk.

**Level 1** – Quoted market prices for identical instruments traded in active exchange markets.

**Level 2** – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

**Level 3** – Model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the Organization's estimates of assumptions that market participants would use on pricing the asset or liability. Valuation techniques include management judgment and estimation which may be significant.

Investments are reported at fair value and consist of the following as of June 30, 2022 and 2021:

	<u>2022</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities	\$ 292,185	\$ 292,185	\$ -	\$ -
Government securities	75,707	-	75,707	-
Corporate bonds and notes	193,009	-	193,009	-
Certificates of deposit	80,824	-	80,824	-
Municipal securities	<u>217,686</u>	<u>-</u>	<u>217,686</u>	<u>-</u>
Total investments	<u>\$ 859,411</u>	<u>\$ 292,185</u>	<u>\$ 567,226</u>	<u>\$ -</u>



## Turtle Island Restoration Network Notes to Financial Statements

	2021			
	Total	Level 1	Level 2	Level 3
Equity securities	\$ 402,436	\$ 402,436	\$ -	\$ -
Government securities	34,896	-	34,896	-
Corporate bonds and notes	183,238	-	183,238	-
Certificates of deposit	118,458	-	118,458	-
Municipal securities	205,379	-	205,379	-
Total investments	<u>\$ 944,407</u>	<u>\$ 402,436</u>	<u>\$ 541,971</u>	<u>\$ -</u>

Investment return net of expenses and fees consists of the following for the years ended June 30, 2022 and 2021:

	2022	2021
Interest and dividends	\$ 16,193	\$ 9,361
Net realized and unrealized (loss) gain	(113,930)	74,180
Total investment return, net	<u>\$ (97,737)</u>	<u>\$ 83,541</u>

#### NOTE 4 – FIXED ASSETS, NET

Fixed assets, net are comprised of the following as of June 30, 2022 and 2021:

	2022	2021
Land	\$ 1,216,504	\$ 1,147,000
Building and improvements	1,252,522	816,026
Equipment and furniture	22,613	22,613
	2,491,639	1,985,639
Less: accumulated depreciation	(231,049)	(198,504)
Total fixed assets, net	<u>\$ 2,260,590</u>	<u>\$ 1,787,135</u>

Depreciation expense was \$32,544 and \$28,826 for the years ended June 30, 2022 and 2021, respectively.

#### NOTE 5 – LINE OF CREDIT

**UBS Bank USA Line of Credit** – In November 2021, the Organization entered into a line of credit agreement with UBS Bank USA and drew \$450,000 with a fixed interest rate of 1.85% and a contract period of November 29, 2021 to November 29, 2023. As of June 30, 2022, the line of credit has an outstanding balance of \$450,000.

# Turtle Island Restoration Network

## Notes to Financial Statements

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### NOTE 6 – COMMITMENTS

The Organization leases property in Olema, California, from the United States National Park Service to conduct most of its activities. The property consists of two buildings, a shed, and land which the Organization is required to maintain in exchange for occupancy; and as such, the management has recognized an in-kind facility donation. In addition, the management conducts some of its program efforts in a facility located in Galveston, Texas. There are no material future lease payments due under these agreements, as the Organization purchased property in Galveston, Texas.

### NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Time restriction:		
Expansion of certain services and programs	\$ 97,492	\$ 191,963
Total	<u>\$ 97,492</u>	<u>\$ 191,963</u>

All net assets with donor restrictions as of June 30, 2022 and 2021, are expected to be released from restriction within one year.

Net assets with donor restrictions released from restriction for the years ended June 30, 2022 and 2021, were as follows:

	<u>2022</u>	<u>2021</u>
Time restriction:		
Expansion of certain services and programs	\$ 257,982	\$ 712,342
Total	<u>\$ 257,982</u>	<u>\$ 712,342</u>

### NOTE 8 – IN-KIND DONATIONS

In-kind donations for the years ended June 30, 2022 and 2021, are as follows and are stated at estimated fair market value:

	<u>2022</u>	<u>2021</u>
Facilities	\$ 79,864	\$ 79,864
Land	-	67,000
Legal fees	1,016,256	948,969
Advertising and marketing	47,674	53,924
Total in-kind donations	<u>\$ 1,143,794</u>	<u>\$ 1,149,757</u>

## Turtle Island Restoration Network

### Notes to Financial Statements

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The Organization recognized in-kind donations within revenue, including contributed facilities, land, and services. The in-kind donations did not have donor-imposed restrictions.

The contributed facilities consist of two buildings, a shed, and land which the Organization is required to maintain in exchange for occupancy and is used to conduct most of its activities. In valuing the contributed facilities, which are located in Olema, California, the Organization estimated the fair value on the basis of lease rates of similar properties in the area.

The contributed land consists of five parcels of land that were donated from the San Geronimo Valley Land Trust. In valuing the contributed land, the Organization used the parcel value at the date of donation obtained from the County of Marin appraiser.

The contributed services are comprised of advertising and marketing and professional services from attorneys advising the Organization on various administrative legal matters. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar legal services.

The Organization also received thousands of hours of donated services from a variety of unpaid volunteers assisting in leadership, committees, fundraising activities, and program services. The value of this donated time is not reflected in the accompanying financial statements since it does not meet the criteria for recognition and in-kind donations, but for the year ended June 30, 2022, the Organization relied upon and celebrates the 436 volunteers who contributed 8,997 volunteer hours to the organization at a total value of \$307,414 (unaudited) based on analysis of hourly value by Independent Sector. The corresponding expenses for donated services are recognized as in-kind expenses.

#### **NOTE 9 – CONTINGENCIES**

The Organization is largely funded by government and foundation grants and is subject to financial and compliance audits by those grantors or their representatives. The amount, if any, of expenditures that may be disallowed by the granting agencies, if any, cannot be determined at this time.

The Organization is subject to various claims covering a range of matters that arise in the ordinary course of its business activities. In the opinion of the Organization, although the outcome of any claims or legal proceedings cannot be predicted with certainty, management has determined that the ultimate liability of the Organization in connection with its claims and legal proceedings will not have a material adverse effect on its financial position or operations.

