



Report of Independent Auditors and
Financial Statements

Turtle Island Restoration Network

June 30, 2023 and 2022

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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, 2023 and 2022, 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 2023 and 2022, and the results of its operations 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.



San Francisco, California
December 18, 2023

Financial Statements

Turtle Island Restoration Network
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,285,482	\$ 1,025,886
Accounts receivable	147,904	383,099
Prepaid expenses and deposits	39,251	50,309
Total current assets	1,472,637	1,459,294
INVESTMENTS	865,672	859,411
FIXED ASSETS, net	2,225,918	2,260,590
Total assets	\$ 4,564,227	\$ 4,579,295
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 51,446	\$ 139,577
Accrued expenses	138,681	152,478
Deferred revenue	14,236	168,112
Line of credit	450,000	450,000
Total current liabilities	654,363	910,167
NET ASSETS		
Without donor restrictions	3,684,102	3,571,636
With donor restrictions	225,762	97,492
Total net assets	3,909,864	3,669,128
Total liabilities and net assets	\$ 4,564,227	\$ 4,579,295

See accompanying notes.

Turtle Island Restoration Network
Statements of Activities and Changes in Net Assets
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Grants and awards	\$ 250,000	\$ 420,126	\$ 670,126
Contributions	1,183,606	-	1,183,606
Program services income	271,602	-	271,602
In-kind donations	852,772	-	852,772
Investment return, net	59,049	-	59,049
Other income, net	(4,592)	-	(4,592)
Net assets released from restrictions	291,856	(291,856)	-
Total revenues, gains, and other support	2,904,293	128,270	3,032,563
EXPENSES			
Program services	2,348,412	-	2,348,412
General and administrative	258,232	-	258,232
Fundraising	185,183	-	185,183
Total expenses	2,791,827	-	2,791,827
CHANGE IN NET ASSETS	112,466	128,270	240,736
NET ASSETS, beginning of year	3,571,636	97,492	3,669,128
NET ASSETS, end of year	\$ 3,684,102	\$ 225,762	\$ 3,909,864

See accompanying notes.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
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	4,609,533	(94,471)	4,515,062
EXPENSES			
Program services	4,024,736	-	4,024,736
General and administrative	364,172	-	364,172
Fundraising	70,929	-	70,929
Total expenses	4,459,837	-	4,459,837
CHANGE IN NET ASSETS	149,696	(94,471)	55,225
NET ASSETS, beginning of year	3,421,940	191,963	3,613,903
NET ASSETS, end of year	\$ 3,571,636	\$ 97,492	\$ 3,669,128

See accompanying notes.

Turtle Island Restoration Network
Statements of Functional Expenses
Year Ended June 30, 2023

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries & wages	\$ 509,677	\$ 59,880	\$ 111,060	\$ 680,617
Employee benefits	84,263	9,900	18,361	112,524
Payroll taxes	44,936	5,279	9,792	60,007
Subtotal personnel	638,876	75,059	139,213	853,148
Depreciation	30,290	2,038	2,345	34,673
Dues, fees, & other charges	35,153	23,031	1,947	60,131
Insurance	87,320	5,875	6,759	99,954
Maintenance & repairs	14,613	983	1,131	16,727
Newsletters & communications	408,139	56,907	24,476	489,522
Occupancy	22,529	1,516	1,744	25,789
Contracted services	41,117	3,212	3,914	48,243
Postage	7,067	476	547	8,090
Professional fees	852,772	86,573	-	939,345
Research activities	38,164	-	-	38,164
Restoration	135,718	-	-	135,718
Supplies	21,480	1,445	1,663	24,588
Travel	12,038	810	932	13,780
Other	3,136	307	512	3,955
Total expenses	<u>\$ 2,348,412</u>	<u>\$ 258,232</u>	<u>\$ 185,183</u>	<u>\$ 2,791,827</u>

See accompanying notes.

Turtle Island Restoration Network
Statements 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
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
Total expenses	<u>\$ 4,024,736</u>	<u>\$ 364,172</u>	<u>\$ 70,929</u>	<u>\$ 4,459,837</u>

See accompanying notes.

Turtle Island Restoration Network
Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 240,736	\$ 55,225
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	34,673	32,544
Investment return, net	(59,049)	97,737
Changes in operating assets and liabilities:		
Accounts receivable	235,195	(43,441)
Prepaid expenses and deposits	11,058	(6,663)
Accounts payable	(88,131)	54,575
Accrued expenses	(13,797)	(314)
Deferred revenue	(153,876)	(57,184)
Net cash provided by operating activities	<u>206,809</u>	<u>132,479</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investment	52,788	(12,741)
Purchases of fixed assets	-	(505,999)
Net cash provided by (used in) investing activities	<u>52,788</u>	<u>(518,740)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on line of credit	-	450,000
Net cash provided by financing activities	<u>-</u>	<u>450,000</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	259,597	63,739
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,025,886</u>	<u>962,147</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,285,483</u>	<u>\$ 1,025,886</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for taxes	\$ 21,941	\$ 18,752
Cash paid during the year for interest	\$ 8,464	\$ 4,927

See accompanying notes.

Turtle Island Restoration Network

Notes to Financial Statements

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 an office in Texas. The Organization’s community includes more than 200,000 members, volunteers, and activists who power the Organizations 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

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, 2023 and 2022, 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, 2023 and 2022.

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, 2023 and 2022, management evaluated fixed assets for impairment, and concluded that the carrying value was recoverable.

Turtle Island Restoration Network

Notes to Financial Statements

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, 2023 and 2022, approximately 46% and 72%, respectively, of accounts receivable were from two organizations.

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

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, 2023 and 2022, that the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Recent adopted accounting pronouncements – Effective July 1, 2022, the Organization adopted Financial Accounting Standards Board (“FASB”) 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. Management determined the provisions of ASU 2016-02 did not have any material impact on its financial statements.

Subsequent events – Subsequent events are events or transactions that occur after the statement 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 statement 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 statement of financial position, but arose after the statement of financial position date and before the financial statements were available to be issued.

The Organization has evaluated subsequent events through December 18, 2023, which is the date the financial statements were available to be issued.

On November 27, 2023, the Organization repaid the \$450,000 outstanding balance on its line of credit with UBS Bank USA.

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, consist of the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,285,482	\$ 1,025,886
Accounts receivable	<u>147,904</u>	<u>383,099</u>
Net financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,433,386</u>	<u>\$ 1,408,985</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.

Turtle Island Restoration Network

Notes to Financial Statements

Note 3 – Investments

In accordance with U.S. GAAP, 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, 2023 and 2022:

	2023			
	Total	Level 1	Level 2	Level 3
Equity securities	\$ 311,828	\$ 311,828	\$ -	\$ -
Government securities	138,910	-	138,910	-
Corporate bonds and notes	153,826	-	153,826	-
Certificates of deposit	48,852	-	48,852	-
Municipal securities	212,256	-	212,256	-
Total investments	<u>\$ 865,672</u>	<u>\$ 311,828</u>	<u>\$ 553,844</u>	<u>\$ -</u>
	2022			
	Total	Level 1	Level 2	Level 3
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	217,686	-	217,686	-
Total investments	<u>\$ 859,411</u>	<u>\$ 292,185</u>	<u>\$ 567,226</u>	<u>\$ -</u>

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

	2023	2022
Interest and dividends	\$ 16,128	\$ 16,193
Net realized and unrealized gain (loss)	42,921	(113,930)
Total investment return, net	<u>\$ 59,049</u>	<u>\$ (97,737)</u>

Turtle Island Restoration Network

Notes to Financial Statements

Note 4 – Fixed Assets, Net

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

	2023	2022
Land	\$ 1,216,503	\$ 1,216,503
Building and improvements	1,252,523	1,252,523
Equipment and furniture	22,613	22,613
	2,491,639	2,491,639
Less: accumulated depreciation	(265,721)	(231,049)
Total fixed assets, net	\$ 2,225,918	\$ 2,260,590

Depreciation expense was \$34,672 and \$32,544 for the years ended June 30, 2023 and 2022, 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, 2023, the line of credit has an outstanding balance of \$450,000.

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, consisted of the following:

	2023	2022
Time restriction:		
Expansion of certain services and programs	\$ 225,762	\$ 97,492
Total	\$ 225,762	\$ 97,492

All net assets with donor restrictions as of June 30, 2023 and 2022, are expected to be released from restriction within one year.

Turtle Island Restoration Network

Notes to Financial Statements

Net assets with donor restrictions released from restriction for the years ended June 30, 2023 and 2022, were as follows:

	2023	2022
Time restriction:		
Expansion of certain services and programs	\$ 291,856	\$ 257,982
Total	\$ 291,856	\$ 257,982

Note 8 – In-Kind Donations

In-kind donations for the years ended June 30, 2023 and 2022, are as follows and are stated at estimated fair market value:

	2023	2022
Facilities	\$ 79,864	\$ 79,864
Legal fees	730,078	1,016,256
Advertising and marketing	42,830	47,674
Total in-kind donations	\$ 852,772	\$ 1,143,794

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 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 as in-kind donations, but for the year ended June 30, 2023, the Organization relied upon and celebrates the 825 volunteers who contributed 5,200 volunteer hours to the Organization at a total value of \$130,000 (unaudited) based on analysis of hourly value by Independent Sector.

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.

Turtle Island Restoration Network

Notes to Financial Statements

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.

