

**Financial Statements**

**SAVE THE MANATEE CLUB, INC.**

**December 31, 2020 and 2019**

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**Financial Statements**

**December 31, 2020 and 2019**

**(With Independent Auditor's Report Thereon)**

SAVE THE MANATEE CLUB, INC.

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## **Independent Auditor's Report**

The Board of Directors  
Save the Manatee Club, Inc.:

We have audited the accompanying financial statements of Save the Manatee Club, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. The 2019 financial statements were audited by other auditors whose report dated November 15, 2020 expressed an unmodified opinion on those financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Save the Manatee Club, Inc. as of December 31, 2020, 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.

*Schaefer, Tschoff, Whittemut, Mitchell & Shuiler, LLP*

Maitland, Florida  
September 27, 2021

SAVE THE MANATEE CLUB, INC.

**Statements of Financial Position**

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 615,999	256,777
Receivables	37,004	1,781
Inventory	34,803	29,447
Prepaid expenses	73,081	42,521
	<u>760,887</u>	<u>330,526</u>
Total current assets		
Investments (note 2)	2,262,266	1,380,033
Donated land (held for sale)	13,360	13,360
Equipment (note 4)	24,934	9,671
Deposits and other assets	2,200	2,200
	<u>2,302,760</u>	<u>1,405,264</u>
Total assets	<u>\$ 3,063,647</u>	<u>1,735,790</u>
<b><u>Liabilities and Net Assets</u></b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 127,876	79,057
Net assets:		
Without donor restrictions	2,416,366	1,219,234
With donor restrictions (note 5)	519,405	437,499
	<u>2,935,771</u>	<u>1,656,733</u>
Total net assets		
Total liabilities and net assets	<u>\$ 3,063,647</u>	<u>1,735,790</u>

See accompanying notes to financial statements.

SAVE THE MANATEE CLUB, INC.

Statement of Activities

Year ended December 31, 2020

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Totals</b>
Public support and revenue:			
Memberships	\$ 409,803	-	409,803
Contributions	1,628,192	261,952	1,890,144
Contributions-in kind	1,510,044	-	1,510,044
Grants	87,213	-	87,213
Merchandise sales	72,297	-	72,297
Investment income, net	13,042	-	13,042
Other income	39,108	-	39,108
Net assets released from restriction			
Satisfaction of program expenditure restrictions	180,046	(180,046)	-
Total support and revenue	<u>3,939,745</u>	<u>81,906</u>	<u>4,021,651</u>
Expenses:			
Program services:			
Conservation	257,641	-	257,641
Education and advocacy	1,442,746	-	1,442,746
Government liason	13,594	-	13,594
Catalog	94,854	-	94,854
Membership services	462,419	-	462,419
Manatee merchandise (including cost of merchandise of \$19,024)	25,458	-	25,458
Total program expenses	<u>2,296,712</u>	<u>-</u>	<u>2,296,712</u>
Supporting services:			
Administration	200,790	-	200,790
Fundraising	245,111	-	245,111
Total supporting services	<u>445,901</u>	<u>-</u>	<u>445,901</u>
Total expenses	<u>2,742,613</u>	<u>-</u>	<u>2,742,613</u>
Increase in net assets	<u>\$ 1,197,132</u>	<u>81,906</u>	<u>1,279,038</u>
Net assets at beginning of year	<u>1,219,234</u>	<u>437,499</u>	<u>1,656,733</u>
Net assets at end of year	<u>\$ 2,416,366</u>	<u>519,405</u>	<u>2,935,771</u>

See accompanying notes to financial statements.

SAVE THE MANATEE CLUB, INC.

**Statement of Activities**

Year ended December 31, 2019

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Totals</b>
Public support and revenue:			
Memberships	\$ 378,976	-	378,976
Contributions	707,592	104,278	811,870
Contributions-in kind	391,690	-	391,690
Grants	116,197	-	116,197
Merchandise sales	106,876	-	106,876
Investment income, net	129,623	-	129,623
Other income	350	-	350
Net assets released from restriction			
Satisfaction of program expenditure restrictions	51,022	(51,022)	-
Total support and revenue	<u>1,882,326</u>	<u>53,256</u>	<u>1,935,582</u>
Expenses:			
Program services:			
Conservation	356,551	-	356,551
Education and advocacy	620,796	-	620,796
Government liason	34,332	-	34,332
Catalog	113,887	-	113,887
Membership services	294,866	-	294,866
Manatee merchandise (including cost of merchandise of \$44,955)	113,899	-	113,899
Total program expenses	<u>1,534,331</u>	<u>-</u>	<u>1,534,331</u>
Supporting services:			
Administration	117,822	-	117,822
Fundraising	113,201	-	113,201
Total supporting services	<u>231,023</u>	<u>-</u>	<u>231,023</u>
Total expenses	<u>1,765,354</u>	<u>-</u>	<u>1,765,354</u>
Change in net assets	<u>\$ 116,972</u>	<u>53,256</u>	<u>170,228</u>
Net assets at beginning of year	<u>1,102,262</u>	<u>384,243</u>	<u>1,486,505</u>
Net assets at end of year	<u>\$ 1,219,234</u>	<u>437,499</u>	<u>1,656,733</u>

See accompanying notes to financial statements.



SAVE THE MANATEE CLUB, INC.

**Statement of Cash Flows**

Year ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from program and operating activities:		
Change in net assets	\$ 1,279,038	170,228
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	7,794	5,760
Contributed securities	(46,452)	-
Reinvested Dividends	(4,592)	(42,136)
Realized and unrealized (gain) or losses	(56,639)	(87,456)
Change in operating assets and liabilities:		
Receivables	(35,223)	(209)
Prepaid expenses	(30,560)	42,578
Inventory	(5,356)	(6,390)
Accounts payable and accrual expenses	48,819	(12,643)
Net cash provided by operating activities	<u>1,156,829</u>	<u>69,732</u>
Cash flows from investing activities:		
Transfers (to) from investments to operating account	(774,550)	(173,000)
Purchases of equipment	(23,057)	-
Net cash used in from investing activities	<u>(797,607)</u>	<u>(173,000)</u>
Net increase (decrease) in cash	359,222	(103,268)
Cash at beginning of year	<u>256,777</u>	<u>360,045</u>
Cash at the end of the year	<u>\$ 615,999</u>	<u>256,777</u>

See accompanying notes to financial statements.

SAVE THE MANATEE CLUB, INC.

Statement of Functional Expenses

Year ended December 31, 2020

	Program Service						Total Program Expenses	Supportive Services		Total
	Conservation	Advocacy	Education	Governmental	Catalog	Membership		Administrative	Fundraising	
Wages and benefits	\$ 156,702	18,740	135,085	5,134	24,612	150,406	490,679	38,692	57,822	587,193
Operating Expenses:										
Direct program expenses	57,871	1,046	12,275	1,046	2,265	24,221	98,724	5,123	7,264	111,111
Depreciation	3,571	193	2,857	65	326	652	7,664	65	65	7,794
Insurance	3,932	1,686	3,373	296	1,686	1,687	12,660	1,686	1,687	16,033
Merchandise and catalog supplies	-	-	36	-	20,885	4,536	25,457	-	-	25,457
Printing, postage and supplies	7,697	-	36,890	-	20,082	132,124	196,793	1,927	6,604	205,324
Professional fees and government relations	1,753	1,702	3,404	1,242	1,701	5,849	15,651	62,241	6,096	83,988
Rent	14,992	4,563	16,948	-	9,778	6,284	52,565	6,518	1,956	61,039
Subscription and computer services	11,086	9,353	24,215	5,811	9,783	9,756	70,004	13,782	12,613	96,399
Other office and overhead	37	-	95	-	3,736	1,358	5,226	33,005	-	38,231
Total operating expenses	<u>100,939</u>	<u>18,543</u>	<u>100,093</u>	<u>8,460</u>	<u>70,242</u>	<u>186,467</u>	<u>484,744</u>	<u>124,347</u>	<u>36,285</u>	<u>645,376</u>
Total expenses without in-kind	<u>257,641</u>	<u>37,283</u>	<u>235,178</u>	<u>13,594</u>	<u>94,854</u>	<u>336,873</u>	<u>975,423</u>	<u>163,039</u>	<u>94,107</u>	<u>1,232,569</u>
In-kind	-	-	1,170,285	-	-	151,004	1,321,289	37,751	151,004	1,510,044
Total expenses	<u>\$ 257,641</u>	<u>37,283</u>	<u>1,405,463</u>	<u>13,594</u>	<u>94,854</u>	<u>487,877</u>	<u>2,296,712</u>	<u>200,790</u>	<u>245,111</u>	<u>2,742,613</u>

See accompanying notes to financial statements.

SAVE THE MANATEE CLUB, INC.

Statement of Functional Expenses

Year ended December 31, 2019

	Program Services						Total Program Services	Supporting Services		Total
	Conservation	Advocacy	Education	Governmental	Catalog	Membership		Administrative	Fundraising	
Wages and benefits	\$ 278,659	18,263	151,366	6,456	14,615	166,474	635,833	66,074	35,218	737,125
Operating Expenses:										
Direct program expenses	43,446	-	-	21,323	2,277	-	67,046	-	-	67,046
Depreciation	2,639	143	2,111	48	241	481	5,663	49	48	5,760
Insurance	4,666	1,919	3,838	-	1,919	1,919	14,261	1,919	1,919	18,099
Merchandise and catalog supplies	-	-	-	-	45,150	-	45,150	-	-	45,150
Printing, postage and supplies	4,943	33	52,724	66	21,076	122,142	200,984	3,041	14,046	218,071
Professional fees and government relations	4,730	1,277	5,860	1,638	1,811	6,038	21,354	19,868	1,668	42,890
Rent	14,302	4,353	16,168	-	9,328	9,949	54,100	6,218	1,866	62,184
Subscription and computer services	13,829	11,447	36,846	3,845	12,185	16,528	94,680	15,731	11,815	122,226
Other office and overhead	(10,663)	984	9,904	956	5,285	46,065	52,531	(4,870)	7,452	55,113
Total operating expenses	<u>77,892</u>	<u>20,156</u>	<u>127,451</u>	<u>27,876</u>	<u>99,272</u>	<u>203,122</u>	<u>555,769</u>	<u>41,956</u>	<u>38,814</u>	<u>636,539</u>
Total expenses without in-kind	<u>356,551</u>	<u>38,419</u>	<u>278,817</u>	<u>34,332</u>	<u>113,887</u>	<u>369,596</u>	<u>1,191,602</u>	<u>108,030</u>	<u>74,032</u>	<u>1,373,664</u>
In-kind	-	-	303,560	-	-	39,169	342,729	9,792	39,169	391,690
Total expenses	<u>\$ 356,551</u>	<u>38,419</u>	<u>582,377</u>	<u>34,332</u>	<u>113,887</u>	<u>408,765</u>	<u>1,534,331</u>	<u>117,822</u>	<u>113,201</u>	<u>1,765,354</u>

See accompanying notes to financial statements.

SAVE THE MANATEE CLUB, INC.

**Notes to Financial Statements**

December 31, 2020 and 2019

(1) **Significant Accounting Policies**

(a) **Organization**

Save the Manatee Club, Inc. (the “Organization”) is a membership-based organization whose purpose is public education, conservation, and advocacy for the endangered manatee. The Organization is located in Maitland, Florida, but its membership and activities are international in scope. The Organization's primary source of support is contributions from those interested in the cause.

(b) **Basis of Accounting**

The Organization prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for NFPs. Net assets, support and revenues, and expenses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets and the significant accounting and reporting policies used by the organization are described below to enhance the usefulness and understandability of the financial statements.

(c) **Basis of Presentation – Net Assets**

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

*Net Assets With Donor Restrictions*

The net assets subject to donor-imposed restrictions include donor-restricted contributions related to time, specific events, programs, income from endowment contributions which can only be expended as stipulated by the donor, including contributions and grants that are unexpended related to land, building, and equipment, and endowment funds from contributed assets which have donor-imposed restrictions.

SAVE THE MANATEE CLUB, INC.

**Notes to Financial Statements**

December 31, 2020 and 2019

**(1) Significant Accounting Policies (Continued)**

**(c) Basis of Presentation – Net Assets (Continued)**

*Net Assets Without Donor Restrictions*

The net assets not subject to donor imposed restrictions, including transactions received for general operation purposes as determined by the Board of Trustees and carried out by the administration. From time to time, the Board may designate a portion of the net assets without donor restrictions for specific purposes which makes them unavailable for use at managements discretion. Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets are limited by donor-imposed restrictions.

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in Net Assets Without Donor Restrictions unless use of the contributed assets are specifically restricted by the donor.

Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in Net Assets with Donor Restrictions, consistent with the nature of the restriction.

Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as Net Assets With Donor Restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year.

Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Contributions received with donor restrictions whose restrictions are met in the same reporting period that they are received are generally reported as support without donor restrictions in the same reporting year.

**(d) Revenue Recognition**

Revenue is recognized when earned. Program service fees and payment under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

SAVE THE MANATEE CLUB, INC.

**Notes to Financial Statements**

December 31, 2020 and 2019

(1) **Significant Accounting Policies (Continued)**

(e) **Functional Expense Allocations**

The costs of providing the services and other activities are summarized on a functional basis in the statement of activities and statement of functional expenses. Functional expenses are allocated to program services and supporting services based upon various methods, such as direct activity costs, and allocations based upon employee time and efforts. Depreciation, office and occupancy expenses are generally allocated on a square foot basis related to the use of the employees.

(f) **Contributed Services and Facilities**

The organization periodically receives contributions in a form other than cash or investments. If the organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

The organization also benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the organization's program operations and administrative duties. The majority of the contributed services do not meet the criteria for recognition in financial statements. GAAP allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

SAVE THE MANATEE CLUB, INC.

**Notes to Financial Statements**

December 31, 2020 and 2019

(1) **Significant Accounting Policies (Continued)**

(g) **Grants, Contracts and Deferred Revenue**

Revenue from Grants or Contracts are recognized as revenue when (or as) the performance obligation is satisfied. If a Grant is received with no restriction on the time or use of the funds, the revenue will be recognized immediately. If the Grant contract requires a performance of service or is conditional, revenue is recognized once the performance obligation or service is completed. Grant Funds received related to uncompleted performance or service obligations are recorded as deferred revenue until such time the performance or service is completed.

(h) **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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(i) **Cash Equivalents and Concentration of Credit Risk**

For purposes of reporting cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less and which are not subject to withdrawal restrictions or penalties, as cash and cash equivalents on the accompanying balance sheet. Cash and cash equivalents do not include cash restricted by donors.

The Organization maintains deposits in financial institutions which insure their deposits with the FDIC. Periodically bank balances may exceed the FDIC insurance limit and as such, not all bank balances would be covered by such insurance. This presents a credit risk to the Organization.

SAVE THE MANATEE CLUB, INC.

**Notes to Financial Statements**

December 31, 2020 and 2019

(1) **Significant Accounting Policies (Continued)**

(j) **Investments**

Investments are composed of stocks, bonds, mutual funds and/or money market funds. Investments are reported at fair value. The fair value for investments in equity securities traded on national securities exchanges is determined by the closing price on the last business day of the fiscal year; securities traded on the over-the-counter market are valued at the last reported bid price.

The fair value of shares in exchange-traded funds is determined by the closing price on the last business day of the fiscal year. The fair value of open-end mutual fund units is determined by the published net asset value per unit at the end of the last trading day of the fiscal year.

Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

(k) **Fair Value Measurements**

The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 - Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.
- Level 2 - Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly, corroborated by, observable market data by correlation or by other means.
- Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.



SAVE THE MANATEE CLUB, INC.

**Notes to Financial Statements**

December 31, 2020 and 2019

**(1) Significant Accounting Policies (Continued)**

**(k) Fair Value Measurements (Continued)**

*Fair Value Measurements (Continued)*

The following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

*Common stocks and exchange traded funds:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Corporate bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date

**(l) Vehicle and Equipment**

Vehicle and equipment is recorded at cost. Depreciation is calculated by the straight-line method. Contributed assets are recorded at their estimated fair value at the date of contribution. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Repairs and maintenance are expensed as incurred.

SAVE THE MANATEE CLUB, INC.

**Notes to Financial Statements**

December 31, 2020 and 2019

**(1) Significant Accounting Policies (Continued)**

**(m) Donated Land held for Sale**

Donated land (held for sale) consists of land located in Lake Placid, Florida, and is stated at the lower of current estimated fair value or estimated fair value at the date of contribution.

**(n) Long-Lived Assets**

The Organization evaluates the recoverability of long-lived assets whenever events or changes in circumstances indicate that an asset's carrying amount may not be recoverable. Such long-lived assets are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities, and the carrying value of the asset group is compared to the estimated future net undiscounted cash flows expected to result from the use of the asset group, including cash flows from disposition. Should the sum of the expected future net undiscounted cash flows be less than the carrying value, the Organization would recognize an impairment loss at that date. An impairment loss would be measured by comparing the amount by which the carrying value exceeds the fair value of the long-lived assets.

**(o) Inventory**

Inventory, consisting of educational and promotional merchandise held for sale, is carried at the lower of cost or market or net realizable value.

**(p) Leases**

Leases meeting appropriate criteria are capitalized and amortized on the straight-line method using lives approximating those of similar purchased assets, or the lease term, if shorter. Rental payments under all leases classified as operating leases are expensed as incurred.

SAVE THE MANATEE CLUB, INC.

**Notes to Financial Statements**

December 31, 2020 and 2019

**(1) Significant Accounting Policies (Continued)**

**(q) Income Taxes**

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Thus, the Organization is not subject to corporate income taxes except for taxes on unrelated business income.

Accounting principles generally accepted in the United States of America prescribe requirements for the recognition of income taxes in financial statements, and the amounts recognized are affected by income tax positions taken by the Organization in its tax returns. The Organization's status as an exempt organization is defined as an income tax position under these requirements. While management believes it has complied with the Internal Revenue Code, the sustainability of some income tax positions taken by the Organization in its tax returns may be uncertain. There are minimum thresholds of likelihood that uncertain tax positions are required to meet before being recognized in the financial statements. Management does not believe that the Organization has any material uncertain tax positions as of December 31, 2020.

In the event interest and penalties were due relating to an unsustainable tax position, they would be treated as a component of income tax expense.

**(r) Subsequent Events**

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through September 27, 2021, which is the date the financial statements were available to be issued.

**(2) Liquidity and Availability**

As of December 31, 2020, the Organization has \$2,395,864 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. Financial assets subject to donor or other restrictions that make them unavailable for general expenditure within one year of the balance sheet date were \$519,405 as of December 31, 2020. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

SAVE THE MANATEE CLUB, INC.

Notes to Financial Statements

December 31, 2020 and 2019

(2) **Liquidity and Availability (Continued)**

The following table reflects the Organization's financial assets as of December 31, 2020 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

Cash and cash equivalents	\$ 615,999
Accounts receivable	37,004
Investments	<u>2,262,266</u>
Total financial assets	2,915,269
Less:	
Endowment	(202,363)
Restricted cash	<u>(317,042)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,395,864</u>

(3) **Investments**

Investment activity for the year ended December 31, 2020 is as follows:

	<u>Fair Value</u>
Investments at December 31, 2019	\$ 1,380,033
Investment income (net of fees)	1,765
Net gains (realized and unrealized)	56,599
Transfers (to) from operating account	<u>823,869</u>
Investments at December 31, 2020	<u>\$ 2,262,266</u>

As discussed above, the organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the organization's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of the December 31, 2020. Level 2 is for investments measured using inputs such as quoted prices for similar assets, quoted prices for the identical asset in inactive markets, and for investments measured at net asset value (NAV) that can be redeemed in the near term. Level 3 is for investments measured using inputs that are unobservable and is used in situations for which there is little, if any, market activity for the investment. As of December 31, 2020, all investments were Level 1 and Level 2 investments and listed on active markets.

SAVE THE MANATEE CLUB, INC.

Notes to Financial Statements

December 31, 2020 and 2019

(3) **Investments (Continued)**

The following table summarizes the Level 1 and Level 2 investments as of December 31, 2020.

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash in bank	\$ 1,439,975	-	1,439,975
Certificates of Deposits	-	253,154	253,154
Stocks	459,322	-	459,322
Bonds	71,649	-	71,649
Mutual Funds			
Fixed Inc. Exchange traded funds	26,350	-	26,350
Other	11,816	-	11,816
Total investments	<u>\$ 2,009,112</u>	<u>253,154</u>	<u>2,262,266</u>

(4) **Equipment**

Vehicle and equipment consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Vehicle	\$ 50,052	26,995
Office equipment	46,688	46,688
Blue Springs manatee cam	49,109	49,109
Equipment under capital lease	10,839	10,839
	<u>156,688</u>	<u>133,631</u>
Less accumulated depreciation	<u>131,754</u>	<u>123,960</u>
Total	<u>\$ 24,934</u>	<u>9,671</u>

SAVE THE MANATEE CLUB, INC.

**Notes to Financial Statements**

December 31, 2020 and 2019

**(5) Net Assets with Restriction**

Temporarily restricted net assets consist of the following at December 31, 2020.

	<u>Beginning Balance</u>	<u>Donations</u>	<u>Expenses and Restriction Releases</u>	<u>Ending Balance</u>
Donor restricted for asset purchases:				
Manatee cam & other equipment	\$ 119,001	199,226	149,876	168,351
Donor restricted for program expenditures:				
Three Sisters Springs	335	-	335	-
Emergency rescue fund	71,345	29,320	18,020	82,645
Homosassa Springs St. Park	204	-	204	-
Intern program	1,840	-	-	1,840
Manatee rescue	35,000	26,000	21	60,979
Partnership				
Research & conservation	<u>7,411</u>	<u>7,406</u>	<u>11,590</u>	<u>3,227</u>
Total donor restricted for program expenditure	116,135	62,726	30,170	148,691
Not subject to appropriation or expenditure:				
Endowment fund	<u>202,363</u>	<u>-</u>	<u>-</u>	<u>202,363</u>
Total net assets with donor restrictions	<u>\$ 437,499</u>	<u>261,952</u>	<u>180,046</u>	<u>519,405</u>

SAVE THE MANATEE CLUB, INC.

**Notes to Financial Statements**

December 31, 2020 and 2019

**(6) Endowment Investments and Investment Policy**

**Interpretation of Relevant Law**

The Board of Directors of the Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the original gift amount of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- The duration and preservation of the endowment fund;
- The purposes of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation or deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization; and
- The investment policies of the Organization.

As indicated in Note 2, Investments, a portion of the money market assets include the permanent restricted fund amount of \$202,363. No specific securities are being held as endowment assets. Rather the Organization reviews all of its investments and money market accounts in total when determining its investment policy. The Organization at all times maintains at least \$202,363 as part of its investment and money market portfolio. All earnings, if any, are considered released to unrestricted funds, since the earnings on the endowment fund may be used by the Organization for general operations.

**Return Objectives and Risk Parameters**

The Organization has adopted investment policies for endowment and investment assets that attempt to provide a predictable stream of funding to support the Organization's general operation, while seeking to preserve the fair value of the original gift as of the gift date of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment and investment assets are invested in a manner that is conservative and assumes a minimal level of investment risk. The Organization expects its endowment and investment funds to provide a rate of return that at least approximates the highest prevailing interest rates available at local financial institutions.

SAVE THE MANATEE CLUB, INC.

Notes to Financial Statements

December 31, 2020 and 2019

(6) Endowment Investments and Investment Policy (Continued)

Strategies Employed for Achieving Objectives

To satisfy its investment and rate of return objectives, the Organization diversifies its investments in its endowment fund assets, as it does its other investments, between fixed income and equity securities. Investment returns are achieved on a total return basis through current income and capital appreciation.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization uses only the investment earnings of the endowment and investment fund for its general operations. This is consistent with the Organization's objective to preserve the fair value of the original gift as of the gift date of the endowment assets held in perpetuity.

(7) In-Kind Contributions

In-kind contributions, primarily magazine and radio media advertising, during the year ended December 31, 2020 and 2019 are reflected in the accompanying statement of activities as follows:

	<u>2020</u>	<u>2019</u>
Contributions	\$ 1,510,044	391,690
Expenses		
Program services:		
Education and outreach	1,170,463	303,560
Membership	151,004	39,169
Administration	37,751	9,792
Fundraising	151,004	39,169
Total expenses	<u>\$ 1,510,044</u>	<u>391,690</u>



SAVE THE MANATEE CLUB, INC.

Notes to Financial Statements

December 31, 2020 and 2019

(7) **In-Kind Contributions (Continued)**

The Organization has multiple volunteers that provide both administrative support and conservation support. The organization had approximately 2,300 volunteers during the fiscal years 2020 and 2019. The volunteers spent 472 and 2,094 hours related to tabling events and presentations; 64 and 854 hours related to office administration, during calendar years 2020 and 2019, respectively. As stated in Footnote 1, these contributed services do not meet the criteria for recognition in financial statements, however, the estimated average rate for volunteer time in Florida is \$28 for calendar year 2020 and \$27 for calendar year 2019, which would result in an estimated value of \$ 15,008 and \$79,596 for calendar years 2020 and 2019 respectively.

(8) **Pension Plan**

The Organization has a 403(b)-pension plan for the benefit of all eligible employees who are at least 21 years old and have three years of service. The Organization made contributions in the amount of \$29,560 during calendar year 2020 and \$32,296 to the plan during the calendar 2019.

(9) **Commitment and Contingencies**

The Organization leases office space and office equipment under noncancelable operating leases which expire in February 2021 through February 2022. The office space is rented on an annual basis, expiring in February each year.

Future minimum lease payments under the leases at December 31, 2020, are as follows:

<u>Year ending December 31:</u>	
2021	\$ 25,358
2022	857

Total rent and lease expense for the year ended December 31, 2020 and 2019 amounted to approximately \$80,000 and \$77,000, respectively.

SAVE THE MANATEE CLUB, INC.

**Notes to Financial Statements**

December 31, 2020 and 2019

**(10) Concentrations**

Substantially all the Organization's financial resources are derived from members and other donors who are interested in preservation of the endangered manatee.

A concentration of credit risk exists at December 31, 2020, with regards to investments since this account is not subject to federal deposit insurance.

**(11) Litigation**

In furtherance of its manatee conservation and advocacy programs, the Organization is involved at times in administrative hearing, litigation, and other such proactive activities.

**(12) Coronavirus Pandemic**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been an impact to the Organization's operations, such as shifting some employees to working on-line. Future potential impacts may include disruptions or restrictions on our employees' ability to work. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of donors to continue making contributions as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.