

CONSERVANCY OF SOUTHWEST FLORIDA, INC.

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2023 AND 2022



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**CONSERVANCY OF SOUTHWEST FLORIDA, INC.
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YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Conservancy of Southwest Florida, Inc.
Naples, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Conservancy of Southwest Florida, Inc., a nonprofit corporation, which comprise the statements of financial position as of September 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 financial statements referred to above present fairly, in all material respects, the financial position of Conservancy of Southwest Florida, Inc. as of September 30, 2023 and 2022, 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Conservancy of Southwest Florida, Inc. 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 Conservancy of Southwest Florida, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Conservancy of Southwest Florida, Inc.'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 Conservancy of Southwest Florida, Inc.'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
February 9, 2024

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 8,384,047	\$ 5,872,379
Cash and Cash Equivalents - Restricted for Long-Term Purposes	1,118,406	1,645,600
Accrued Interest Receivable	76,645	57,665
Unconditional Promises to Give, Net	1,808,908	3,664,511
Inventory	41,906	21,303
Prepaid Expenses and Other Assets	631,976	505,277
Other Receivables	55,942	498,688
Investments	42,465,940	38,472,915
Trust Receivable and Split-Interest Agreement, Net	498,938	2,188,456
Property and Equipment, Net	30,957,390	24,603,390
Construction in Process	92,893	5,389,493
Land Held for Conservation	<u>5,015,369</u>	<u>5,015,369</u>
 Total Assets	 <u>\$ 91,148,360</u>	 <u>\$ 87,935,046</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 888,792	\$ 4,176,365
Deferred Revenue	145,000	1,181,906
Facility Deposits	2,375	2,750
Line of Credit	-	995,438
Total Liabilities	<u>1,036,167</u>	<u>6,356,459</u>
NET ASSETS		
Without Donor Restrictions:		
Undesignated	10,724,402	6,976,608
Designated for Property and Equipment	30,957,390	24,603,390
Board-Designated	<u>18,289,723</u>	<u>18,289,723</u>
Total Without Donor Restrictions	<u>59,971,515</u>	<u>49,869,721</u>
With Donor Restrictions:		
Subject to Purpose or Time Restrictions	9,835,013	11,802,774
Held in Perpetuity	<u>20,305,665</u>	<u>19,906,092</u>
Total With Donor Restrictions	<u>30,140,678</u>	<u>31,708,866</u>
 Total Net Assets	 <u>90,112,193</u>	 <u>81,578,587</u>
 Total Liabilities and Net Assets	 <u>\$ 91,148,360</u>	 <u>\$ 87,935,046</u>

See accompanying Notes to Financial Statements.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT AND REVENUES			
Contributions	\$ 4,355,129	\$ 3,930,082	\$ 8,285,211
Investment Return, Net	2,872,132	2,546,985	5,419,117
In-Kind Contributions	39,829	-	39,829
Program Income	92,562	-	92,562
Grants	781,639	-	781,639
Store Sales	24,729	-	24,729
Special Events Revenue	\$ 2,605,032	-	1,910,585
Special Events Direct Expenses	<u>(694,447)</u>	1,910,585	1,910,585
Admissions and Membership Revenue	64,395	-	64,395
Other	225,606	-	225,606
(Loss) on Disposal of Property and Equipment	(48,055)	-	(48,055)
Appreciation of Trust Receivable and Split-Interest Agreement	-	95,123	95,123
Total Operating Support and Revenues	10,318,551	6,572,190	16,890,741
Net Assets Released from Restrictions	<u>8,140,378</u>	<u>(8,140,378)</u>	-
Total Operating Support, Revenues, and Reclassifications	18,458,929	(1,568,188)	16,890,741
EXPENSES			
Program Services	8,319,875	-	8,319,875
Management and General	1,234,171	-	1,234,171
Fundraising	1,673,089	-	1,673,089
Total Expenses	11,227,135	-	11,227,135
OTHER NON-OPERATING REVENUE			
Gain on Legal Settlement on Previous Liability	<u>2,870,000</u>	-	2,870,000
CHANGE IN NET ASSETS			
Net Assets - Beginning of Year	<u>49,869,721</u>	<u>(1,568,188)</u>	8,533,606
NET ASSETS - END OF YEAR	<u>\$ 59,971,515</u>	<u>\$ 30,140,678</u>	<u>\$ 90,112,193</u>

See accompanying Notes to Financial Statements.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	\$ 4,582,370	\$ 1,864,487	\$ 6,446,857
Investment Return, Net	(3,780,021)	(4,095,023)	(7,875,044)
In-Kind Contributions	832,720	-	832,720
Program Income	94,832	-	94,832
Grants	585,426	-	585,426
Store Sales	17,970	-	17,970
Special Events Revenue	\$ 2,620,084	-	-
Special Events Direct Expenses	<u>(444,961)</u>	2,175,123	2,175,123
Admissions	67,048	-	67,048
Other	9,038	-	9,038
Gain on Disposal of Property and Equipment	6,599	-	6,599
Total Support and Revenues	<u>4,591,105</u>	<u>(2,230,536)</u>	<u>2,360,569</u>
Net Assets Released from Restrictions	<u>5,800,277</u>	<u>(5,800,277)</u>	<u>-</u>
Total Support, Revenues, and Reclassifications	<u>10,391,382</u>	<u>(8,030,813)</u>	<u>2,360,569</u>
EXPENSES			
Program Services	7,830,247	-	7,830,247
Management and General	1,092,234	-	1,092,234
Fundraising	1,386,959	-	1,386,959
Total Expenses	<u>10,309,440</u>	<u>-</u>	<u>10,309,440</u>
Depreciation of Trust Receivable Split-Interest Agreement	-	(128,016)	(128,016)
CHANGE IN NET ASSETS	<u>81,942</u>	<u>(8,158,829)</u>	<u>(8,076,887)</u>
Net Assets - Beginning of Year	<u>49,787,779</u>	<u>39,867,695</u>	<u>89,655,474</u>
NET ASSETS - END OF YEAR	<u><u>\$ 49,869,721</u></u>	<u><u>\$ 31,708,866</u></u>	<u><u>\$ 81,578,587</u></u>

See accompanying Notes to Financial Statements.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2023

	Program Services											Direct Donor Benefits	Total		
	Environmental Education			Wildlife Rehabilitation Center			Total Program		Management and General		Fundraising				
	Policy	Science													
Advertising and Public Relations	\$ 95,056	\$ 13,702	\$ 11,014	\$ 11,385	\$ 131,157	\$ 7,569	\$ 15,855	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154,581		
Contracted Services	119,951	397,070	117,409	110,591	745,021	19,281	364,987	-	-	-	-	-	1,129,289		
Depreciation	682,276	361,493	361,493	361,493	1,766,755	90,922	90,922	-	-	-	-	-	1,948,599		
Food and Beverage	16,174	16,174	16,174	16,174	64,696	2,701	-	-	-	-	-	-	67,397		
Gifts In-Kind	-	-	-	39,829	39,829	-	-	-	-	-	-	-	39,829		
Insurance	260,409	46,308	104,053	107,746	518,516	49,650	47,078	-	-	-	-	-	615,244		
Interns	40,160	-	28,110	42,150	110,420	-	-	-	-	-	-	-	110,420		
Maintenance	62,105	62,120	62,056	74,545	260,826	33,603	44,733	-	-	-	-	-	339,162		
Materials and Small Equipment	103,541	24,012	157,766	97,287	382,606	20,343	58,724	-	-	-	-	-	461,673		
Miscellaneous Expense	12,950	12,950	12,950	12,950	51,800	-	-	-	-	-	-	-	51,800		
Office, Printing, and Postage	44,853	29,900	30,548	37,718	143,019	1,452	90,384	-	-	-	-	-	234,855		
Professional	-	-	-	-	-	26,565	-	-	-	-	-	-	26,565		
Rehabilitation, Animal Food, and Supplies	8,380	-	-	71,499	79,879	-	-	-	-	-	-	-	79,879		
Rent	11,069	-	8,681	-	19,750	2,194	-	-	-	-	-	-	21,944		
Salaries and Benefits	1,012,850	1,075,457	774,467	797,999	3,660,773	956,812	932,420	-	-	-	-	-	5,550,005		
Telephone and Utilities	86,527	52,767	55,466	85,245	280,005	21,187	19,874	-	-	-	-	-	321,066		
Travel and Training	15,329	15,132	22,109	12,253	64,823	1,892	8,112	-	-	-	-	-	74,827		
Special Event - Direct Donor Benefits	-	-	-	-	-	-	-	-	-	-	694,447	-	694,447		
Total	2,571,630	2,107,085	1,762,296	1,878,864	8,319,875	1,234,171	1,673,089	694,447	11,921,582						
Less: Special Event Expenses	-	-	-	-	-	-	-	-	-	-	(694,447)	(694,447)			
Total Expenses	\$ 2,571,630	\$ 2,107,085	\$ 1,762,296	\$ 1,878,864	\$ 8,319,875	\$ 1,234,171	\$ 1,673,089	\$ -	\$ 11,227,135						

See accompanying Notes to Financial Statements.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2022

	Program Services										Direct Donor Benefits	Total				
	Environmental Education		Policy		Science		Wildlife Rehabilitation Center		Total Program		Management and General		Fundraising			
Advertising and Public Relations	\$ 135,528	\$ 20,426	\$ 13,503	\$ 13,696	\$ 183,153	\$ 7,586	\$ 19,641	\$ -	\$ 210,380							
Bank Charges	9,169	2,440	2,440	2,440	16,489	-	47,514	-	64,003							
Contracted Services	104,775	108,630	107,877	87,612	408,894	25,840	290,713	-	725,447							
Depreciation	655,787	324,595	324,595	324,595	1,629,572	75,880	96,709	-	1,802,161							
Food and Beverage	8,108	6,129	5,822	5,757	25,816	4,471	4,128	-	34,415							
Gifts In-Kind	-	-	-	832,720	832,720	-	-	-	832,720							
Insurance	203,830	38,461	78,479	74,776	395,546	38,914	35,503	-	469,963							
Interns	46,230	-	20,670	54,420	121,320	-	-	-	121,320							
Maintenance	42,971	51,653	41,618	54,119	190,361	24,520	33,273	-	248,154							
Materials and Small Equipment	86,022	18,450	95,618	35,009	235,099	12,962	31,587	-	279,648							
Miscellaneous Expense	4,430	19,146	3,240	3,546	30,362	1,150	5,350	-	36,862							
Office, Printing, and Postage	38,809	10,031	10,867	19,760	79,467	-	51,015	-	130,482							
Professional	-	137,448	-	1,014	138,462	10,939	-	-	149,401							
Rehabilitation, Animal Food, and Supplies	7,278	-	-	83,369	90,647	-	-	-	90,647							
Rent	12,632	-	5,938	-	18,570	2,434	-	-	21,004							
Salaries and Benefits	682,286	947,167	729,627	796,173	3,155,253	868,630	752,625	-	4,776,508							
Telephone and Utilities	84,975	37,242	38,547	78,786	239,550	17,623	14,882	-	272,055							
Travel and Training	11,321	9,617	9,024	9,004	38,966	1,285	4,019	-	44,270							
Special Event - Direct Donor Benefits	-	-	-	-	-	-	-	-	444,961							
Total	2,134,151	1,731,435	1,487,865	2,476,796	7,830,247	1,092,234	1,386,959	444,961	10,754,401							
Less: Special Event Expenses	-	-	-	-	-	-	-	-	(444,961)							
Total Expenses	\$ 2,134,151	\$ 1,731,435	\$ 1,487,865	\$ 2,476,796	\$ 7,830,247	\$ 1,092,234	\$ 1,386,959	\$ -	\$ 10,309,440							

See accompanying Notes to Financial Statements.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 8,533,606	\$ (8,076,887)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
(Gain) Loss on Sale of Investments	(3,033,897)	1,354,925
(Gain) Loss on Sale of Property and Equipment	48,055	(7,929)
Depreciation	1,948,599	1,802,161
Present Value Discount of Unconditional Promises to Give	(248)	(27,846)
Net (Appreciation) Depreciation in Fair Value of Investments	(1,514,977)	7,294,892
(Appreciation) Depreciation of Trust Receivable and		
Split-Interest Agreement	(95,123)	128,016
Contributed Securities	12,090	(217,682)
Contributions Restricted for Long-Term Purposes	-	(830,000)
(Increase) Decrease in:		
Accrued Interest Receivable	(18,980)	(4,795)
Inventory	(20,603)	6,150
Grants Receivable	-	767,209
Prepaid Expenses and Other Assets	(126,699)	(193,238)
Other Receivables	442,746	(378,824)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(3,287,573)	247,637
Deferred Revenue	(1,036,906)	64,880
Facility Deposits	(375)	(250)
Net Cash Provided by Operating Activities	<u>1,849,715</u>	<u>1,928,419</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(18,226,580)	(4,169,498)
Proceeds from Sales of Investments	18,770,339	5,838,873
Increase in Construction in Process	-	(526,130)
Purchase of Property and Equipment	<u>(3,054,054)</u>	<u>(5,356,554)</u>
Net Cash Used by Investing Activities	<u>(2,510,295)</u>	<u>(4,213,309)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Payments) Proceeds from Line of Credit	(995,438)	995,438
Collections of Contributions Restricted for Long-Term Investment	<u>3,640,492</u>	<u>1,765,213</u>
Net Cash Provided by Financing Activities	<u>2,645,054</u>	<u>2,760,651</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>1,984,474</u>	<u>475,761</u>
Cash and Cash Equivalents - Beginning of Year	<u>7,517,979</u>	<u>7,042,218</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 9,502,453</u></u>	<u><u>\$ 7,517,979</u></u>

See accompanying Notes to Financial Statements.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
AS PRESENTED IN THE STATEMENTS OF FINANCIAL POSITION		
Cash and Cash Equivalents	\$ 8,384,047	\$ 5,872,379
Cash and Cash Equivalents - Restricted for Long-Term Purposes	1,118,406	1,645,600
Total	<u>\$ 9,502,453</u>	<u>\$ 7,517,979</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Construction in Process Placed into Service	<u>\$ 8,599,472</u>	<u>\$ 2,839,557</u>

See accompanying Notes to Financial Statements.

**CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Conservancy of Southwest Florida, Inc. (the Organization) was established in 1966 as a nonprofit corporation in the state of Florida. The Organization is a 501(c)(3) nonprofit environmental protection organization with a more than 60-year history focused on the issues impacting the water, land, wildlife, and future of Collier, Lee, Charlotte, Hendry, and Glades counties. The Organization accomplishes this mission through the combined efforts of experts in environmental science, policy and advocacy, education, and wildlife rehabilitation. The Organization is supported primarily through donor contributions, grants and fundraising activities, and programs.

Basis of Accounting

The accounts of the Organization are maintained, and the accompanying financial statements have been prepared, on the accrual basis of accounting. Accordingly, assets are recorded when the Organization obtains the rights of ownership or is entitled to claims for receipt and liabilities are recorded when the obligation is incurred.

Cash and Cash Equivalents

For purposes of these financial statements, the Organization considers all unrestricted bank accounts, money market funds, and short-term investments with a maturity of three months or less to be cash equivalents. The Organization maintains bank accounts with balances which at times may exceed federally insured limits.

Unconditional Promises to Give

The Organization is holding a fundraising campaign to assist them in continuing their mission, renovation of their facilities, and to build their endowment. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. Additionally, the Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

Inventory

Inventories on the statements of financial position are stated at the lower of cost or net realizable value determined by the first-in, first-out method. Inventory recorded on the Organization's financial statements are purchased and are for sale in the nature store.

**CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in securities, mutual funds, real estate investment trusts, corporate bonds, and government bonds are carried at fair value determined by quoted prices on the last business day of the year. Investments in alternative investment funds that are not readily tradable are carried at an estimated fair value at the end of the period, as determined by management based upon financial statements and other financial information reported by the administrator of the underlying investment funds.

Donated investments are recorded at their fair value at the date of receipt. Investment income may be either with or without donor restrictions when earned, determined according to donor-imposed restrictions.

The Organization's investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that those changes in the values of investments will occur in the near term and that such changes could be material to the amounts reported in the statements of financial position.

Fair Value Measurements

The Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Subsequent to initial recognition, the Organization may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

**CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trust Receivable and Split Interest Agreement

The Organization is the beneficiary of a charitable remainder trust being held by a financial institution. Under the trust agreement, specified amounts or percentages of funds invested are payable to the donor or the donor's designee, for life. Upon the death of the lifetime beneficiary, 16% of the balance of the investment is to be paid to the Organization. The Organization has recorded as assets the present value of its estimated beneficial interest in this gift. The gift is valued using a discount rate of 3% over the estimated life expectancy of the annuitant.

Property and Equipment, Net

Property and equipment are capitalized at cost, if purchased, or at fair value at the time of contribution on items valued at more than \$1,000 with a life greater than one year. Depreciation is computed utilizing the straight-line method over the estimated useful lives of the respective assets ranging from 3 to 40 years.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Land Held for Conservation

Land held for conservation is recorded at cost when purchased or at fair market value at the date of acquisition, if donated. Management reviews each parcel periodically to determine if there has been impairment to the value that is recorded in the statements of financial position.

Leases

The Organization determines if an arrangement is a lease at inception. As of September 30, 2023, the Organization has not entered into any material leases and all leases fell under short-term exception under ASC 842. However, if an arrangement should be identified as a material lease, operating leases would be included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases would be included in right-of-use assets – financing and lease liability – financing in the balance sheet.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases will not be included as lease liabilities or ROU assets on the balance sheet.

**CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Individual lease contracts may not provide information about the discount rate implicit in the lease. In these instances, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of the lease liabilities.

The Organization has elected not to separate nonlease components from lease components and instead will account for each separate lease component and the nonlease component as a single lease component.

Deferred Revenue

Revenue received from membership dues is recognized when received, as the services to be provided to the membership are not material. Revenue from programs is recognized in the year to which it relates. Program revenues received in advance are recorded as deferred revenue.

Net Assets

Net assets without donor restrictions are presently available for use by the Organization at the discretion of the board of directors. Net assets with donor restrictions are generally expendable only for purposes specified by donors or are time restricted. Some net assets with donor restrictions are to be maintained in perpetuity, the income from which is available to support specific activities or activities without donor restrictions, in accordance with donor stipulations. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Contributions and Grants

Contributions are recognized as revenue when the donor makes the donation to the Organization or when the donor makes a promise to give to the Organization that is, in substance, unconditional. All donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Net assets with donor restrictions are then reclassified to net assets without donor restrictions upon expiration of the time or use restriction. However, restricted contributions whose restrictions are met in the same reporting period are shown as contributions without donor restrictions.

Functional Allocation of Expenses

The costs of providing various support to the Organization's operations, as well as other management and general activities, have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Special events expenses, which are reflected on the accompanying statement of activities and changes in net assets as netting with revenue, would be reflected in a separate column in the statements of functional expenses, called "Costs of Direct Benefit to Donor" by their natural classification. Management believes the current presentation is adequate.

**CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses (Continued)

The Organization periodically receives donations of nonmonetary goods which are used in the Organization's programs. Donated goods which are used in the Organization's programs are recorded at estimated fair value at the date of the donation and are included in contributions. The Organization received \$39,829 and \$832,720 in donated goods for use in their programs for the years ended September 30, 2023 and 2022, respectively.

Income Taxes

The Internal Revenue Service (IRS) has determined the Organization to be exempt from income taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3). In addition, the Organization has been determined by the IRS to be other than a private foundation within the meaning of Section 509(a) of the IRC. The IRC provides for taxation of unrelated business income under certain circumstances. The consignment shops that the Organization operates are subject to such unrelated business income taxes. The Organization has not been examined by the IRS.

Subsequent Events

In preparing these financial statements, the Organization, has evaluated events and transactions for potential recognition or disclosure through February 9, 2024, the date the financial statements were available to be issued.

Management Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make a number of 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.

Adoption of Accounting Pronouncement

In February 2016, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective October 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Accounting Pronouncement (Continued)

The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

Lease disclosures for the year ended September 30, 2022 are made under prior lease guidance in FASB ASC 840.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available within one year of the statements of financial position date to meet cash needs for general expenditures, comprise the following:

	<u>2023</u>	<u>2022</u>
Current Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 8,384,047	\$ 5,872,379
Cash and Cash Equivalents - Restricted for Long-Term Purposes	1,118,406	1,645,600
Accrued Interest Receivable	76,645	5,004
Unconditional Promises to Give, Net	1,808,908	3,664,511
Grant and Other Receivables	55,942	551,349
Investments	42,465,940	38,466,920
Trust Receivable and Split-Interest Agreement, Net	498,938	2,194,451
Total Current Financial Assets at Year-End	<u>54,408,826</u>	<u>52,400,214</u>
Less:		
Net Assets with Donor Restrictions	(9,835,013)	(11,802,774)
Endowment Net Assets	(20,305,665)	(19,906,092)
Net Assets Designated by Board Program	(18,289,723)	(18,289,723)
Total	<u>\$ 5,978,425</u>	<u>\$ 2,401,625</u>

In addition to contribution revenues, net proceeds from admissions revenues are available to support operations. Cash flows from admissions revenues are received daily based on ticket sales throughout the year.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 3 UNCONDITIONAL PROMISES TO GIVE, NET

Unconditional promises to give consists of the following at September 30:

	2023	2022
Unconditional Promises to Give	\$ 1,871,779	\$ 3,727,630
Less: Allowance for Doubtful Accounts	(10,000)	(10,000)
Less: Discount to Net Present Value	(52,871)	(53,119)
Total	<u>\$ 1,808,908</u>	<u>\$ 3,664,511</u>

Unconditional promises to give are scheduled to be received as follows:

One Year or Less	\$ 835,496
Two to Five Years	1,036,283
Total	<u>\$ 1,871,779</u>

Unconditional promises to give are reflected at present value of estimated cash flows using a discount rate of 1.0% to 2.53% at September 30, 2023 and 2022. Management has estimated the allowance for doubtful accounts to be approximately \$10,000 for 2023 and 2022.

NOTE 4 INVESTMENTS AND FAIR VALUE

The Organization invests in a variety of investments. In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 4 INVESTMENTS AND FAIR VALUE (CONTINUED)

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization measures fair value, refer to Note 1 – Summary of Significant Accounting Principles. The following table presents the fair value hierarchy for the balances of the assets of the Organization measured at fair value on a recurring basis as of September 30, 2023:

	Level 1	Level 2	Level 3	Total
Assets:				
Equities - Domestic	\$ 14,412,663	\$ -	\$ -	\$ 14,412,663
Equities - Foreign	6,154	-	-	6,154
Mutual Funds - Fixed Income	5,902,975	-	-	5,902,975
Mutual Funds - Equity	16,497,255	-	-	16,497,255
Corporate Bonds	-	2,516,525	-	2,516,525
Mortgage Pools	-	382,547	-	382,547
Municipal Bonds	-	2,583,241	-	2,583,241
ETFS	-	164,580	-	164,580
Trust Receivable and Split-Interest Agreement	-	-	498,938	498,938
Total	<u>\$ 36,819,047</u>	<u>\$ 5,646,893</u>	<u>\$ 498,938</u>	<u>\$ 42,964,878</u>

The following table presents the fair value hierarchy for the balances of the assets the Organization measured at fair value on a recurring basis as of September 30, 2022:

	Level 1	Level 2	Level 3	Total
Assets:				
Common Stock - Domestic	\$ 12,230,038	\$ -	\$ -	\$ 12,230,038
Common Stock - Foreign	-	-	-	-
Mutual Funds - Fixed Income	17,751,318	-	-	17,751,318
Mutual Funds - Real Estate	2,057,339	-	-	2,057,339
Corporate Bonds	-	2,441,824	-	2,441,824
Mortgage Pools	-	313,288	-	313,288
Municipal Bonds	-	2,557,436	-	2,557,436
U.S. Agency Bonds	-	1,115,677	-	1,115,677
Trust Receivable and Split-Interest Agreement	-	-	2,194,451	2,194,451
Total	<u>\$ 32,038,695</u>	<u>\$ 6,428,225</u>	<u>\$ 2,194,451</u>	<u>\$ 40,661,371</u>

The table below summarizes unrealized and realized gains and transfers for the split interest agreement during the years ended September 30:

	Split-Interest Agreement	
	2023	2022
Gains (Losses)	\$ 95,123	\$ (128,016)
Transfer Out	(1,784,641)	-
Change in Split-Interest Agreement Discount to Net Present Value	-	(1,399)

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 4 INVESTMENTS AND FAIR VALUE (CONTINUED)

The following table describes the valuation techniques used to calculate the fair value for Level 3 investments. There were no changes in valuation techniques and related inputs from the prior year.

Instrument	Fair Value		Principal Valuation Technique	Unobservable Inputs
	2023	2022		
Split-Interest Agreement and Trust Receivable	\$ 498,938	\$ 2,188,456	Fair Value based on estimated payout, Life expectancy, and IRS factors	Amount and Timing of Distributions

Investments categorized at Level 2 are measured at fair value utilizing market prices at the close of business of the last day for the statement period, provided by investment advisors. Investments categorized at Level 3 are measured at fair value with a valuation technique utilizing estimated membership interest and subscription amounts obtained from the managing member. Assets held under trust receivable and split-interest agreement categorized at Level 3 are measured at fair value utilizing market prices at the close of business of the last day for the statement period, provided by investment advisors.

NOTE 5 PROPERTY AND EQUIPMENT, NET

Property and equipment at September 30 consist of the following:

	2023	2022
Land	\$ 579,046	\$ 579,046
Building and Improvements	39,627,485	33,082,031
Museum Exhibits	1,616,047	1,564,559
Furniture and Equipment	3,756,256	2,993,355
Transportation and Marine Equipment	1,228,717	1,380,756
Statuary	100,231	100,231
Subtotal	46,907,782	39,699,978
Less: Accumulated Depreciation	(15,950,392)	(15,096,588)
Total, Net	<u>\$ 30,957,390</u>	<u>\$ 24,603,390</u>

Depreciation expense for the years ended September 30, 2023 and 2022 was \$1,948,599 and \$1,802,161, respectively.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 6 CONSTRUCTION IN PROCESS

In connection with the Organization's planned building and exhibits, construction in process as of September 30, 2023 and 2022 totaled \$92,893 and \$5,389,493, respectively. During the years ended September 30, 2023 and 2022, \$8,599,472 and \$2,839,557 of construction in process was placed into service, respectively. During the years ended September 30, 2023 and 2022, the Organization capitalized no interest related to its ongoing construction projects.

NOTE 7 TRUST RECEIVABLE AND SPLIT-INTEREST AGREEMENT

The Organization had a trust receivable, split-interest agreement, and beneficial assets held by others at September 30 as follows:

	<u>2023</u>	<u>2022</u>
Trust Receivable	\$ -	\$ 1,784,641
Split-Interest Agreement	498,938	403,815
Total	<u>\$ 498,938</u>	<u>\$ 2,188,456</u>

NOTE 8 CASH RESTRICTED FOR LONG-TERM PURPOSES

In 2014, the Organization received \$501,069 that is restricted to be used for conservation purposes and is required to be maintained in a separate bank account. The remaining balance in this account at September 30, 2023 and 2022 was \$297,557 and \$296,047, respectively.

Cash restricted for long-term purposes consists of the following at September 30:

	<u>2023</u>	<u>2022</u>
Cash Restricted for Endowment	\$ 820,849	\$ 1,349,553
Cash Restricted for Conservation	297,557	296,047
Total	<u>\$ 1,118,406</u>	<u>\$ 1,645,600</u>

NOTE 9 LINE OF CREDIT

The Organization has a line of credit in the amount of \$7,000,000, due April 1, 2024, which carries an interest rate of 3.75%. The balance on the line of credit at September 30, 2023 and 2022 was \$-0- and \$995,438, respectively.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 10 ENDOWMENT

The Organization has a donor-restricted endowment fund established for the purposes of providing income to support general operations. The board of directors has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. The board of directors' (the board) goals are to preserve the fair value of the original gift by having an investment objective to match or outperform, net of fees, certain benchmarks composed of asset class indices agreed to by the finance committee and our investment advisor, and thereby provide adequate liquidity to meet operating and capital needs as they may arise. As a result of this interpretation, the Organization classifies as net assets with donor restrictions: (a) the original value of gifts donated to the endowment maintained in perpetuity, (b) the original value of subsequent gifts to the endowment maintained in perpetuity, and (c) accumulations to the endowment maintained in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the Fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies during the years ended September 30, 2023 and 2022.

Investment Policies

The Organization has established an investment policy to determine investment or reinvestment of the assets in accordance with such guidelines, policies, and procedures that are authorized by the board. These guidelines, policies, and procedures shall attempt to generate a long-term investment return that will contribute to meeting the spending needs of the Organization while maintaining the purchasing power of the investment assets. The Organization's spending and investment policies work together to achieve this objective. The investment policy establishes a long-term investment objective through diversification of asset classes. To achieve its investment objectives over long periods of time, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The investment strategy targets a diversified asset allocation that includes domestic equities, non-U.S. equities, fixed income, and alternative investments.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 10 ENDOWMENT (CONTINUED)

Investment Policies (Continued)

The majority of assets are invested in debt and equity or debt and equity like securities. Diversification by asset class, investment style, investment manager, etc., is employed to avoid undue risk concentration and enhance total return. The primary performance objective is to match or outperform, net of fees, certain benchmarks composed of asset class indices agreed to by the finance committee and the investment advisor, and thereby provide adequate liquidity to meet operating and capital needs, as they arise. Actual returns in any given year may vary from this amount.

Spending Policy

During the year ended September 30, 2023 and 2022, the finance committee recommended and the board approved appropriations of up to 5% of the average investment fund balance for the previous 12 quarters. The investment balance consists of gifts with donor restrictions and board-designated gifts. The Organization reserves the right in any given year to spend any amount as deemed appropriate, subject to board approval. The intent is to keep the spending policy between 4.5-5%. The Organization will review, at least annually the value of the endowment fund based upon a 12-quarter moving average and the current year spending policy of the endowment fund to determine whether changes are advisable.

Changes in endowment net assets as of September 30 are as follows:

	With Donor Restrictions			
	Without Donor Restrictions	Subject to Purpose or Time Restrictions	Held in Perpetuity	Total
Endowment Net Assets as of September 30, 2021	\$ 23,450,063	\$ 6,611,241	\$ 18,671,962	\$ 48,733,266
Cash Transfer	(300,812)	-	-	(300,812)
Contributions	-	-	510,500	510,500
Cash Collected on Unconditional Promises to Give	-	-	523,828	523,828
Investment Return:				
Investment Income	422,300	457,492	-	879,792
Investment Expense	(50,409)	(54,610)	-	(105,019)
Realized (Loss) on Sale of Investments	(650,364)	(704,561)	-	(1,354,925)
Net Appreciation (Depreciation)	(3,501,548)	(3,793,344)	-	(7,294,892)
Total Investment Return	(3,780,021)	(4,095,023)	-	(7,875,044)
Appropriations	(852,408)	(923,442)	-	(1,775,850)
Endowment Net Assets as of September 30, 2022	18,516,822	1,592,776	19,706,290	39,815,888
Contributions	-	-	399,573	399,573
Cash Collected on Unconditional Promises to Give	-	-	50,000	50,000
Investment Return:				
Investment Income	506,237	448,928	-	955,165
Investment Expense	(45,008)	(39,913)	-	(84,921)
Realized Gain on Sale of Investments	1,607,965	1,425,932	-	3,033,897
Net Appreciation	802,938	712,039	-	1,514,977
Total Investment Return	2,872,133	2,546,985	-	5,419,118
Appropriations	(1,522,173)	(1,018,136)	-	(2,540,309)
Endowment Net Assets as of September 30, 2023	<u>\$ 19,866,781</u>	<u>\$ 3,121,626</u>	<u>\$ 20,155,863</u>	<u>\$ 43,144,270</u>

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are comprised of the following at September 30:

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose:		
Unappropriated Endowment Earnings (Loss)	\$ 3,121,626	\$ 1,592,776
Land Acquisition	296,692	296,692
Capital Projects	-	4,741,328
Campus Support	2,925,000	-
Science and Environmental Programs	1,130,728	1,097,180
Youth Programs	32,347	40,000
Magic Temporarily Restricted Funds	20,774	16,274
Subject to Passage of Time:		
Unconditional Promises to Give, Net	1,808,908	3,614,709
Split-Interest Agreement	498,938	403,815
Total	<u><u>\$ 9,835,013</u></u>	<u><u>\$ 11,802,774</u></u>

As of September 30, the Organization had restricted endowment gifts to be retained either by explicit donor stipulations or by FUPMIFA consisting of the following:

	<u>2023</u>	<u>2022</u>
General Endowment	\$ 4,137,705	\$ 3,763,632
Policy Projects	4,800,000	4,800,000
von Arx Wildlife Hospital and Veterinary	4,187,816	4,187,316
Education	742,372	742,372
Science	579,294	579,294
Turtles	247,732	222,732
Interns	2,510,659	2,510,659
Endowment for President Position	3,000,087	3,000,087
Other	100,000	100,000
Total	<u><u>\$ 20,305,665</u></u>	<u><u>\$ 19,906,092</u></u>

NOTE 12 RETIREMENT PLAN

The Organization has a defined contribution retirement plan (the Plan) covering substantially all employees meeting certain eligibility requirements. The Plan provides that participants may contribute amounts up to the maximum allowable by law. For eligible participants, the Organization will contribute an amount equal to 50% of the participants' salary deferral up to 6% of compensation. During the years ended September 30, 2023 and 2022, the Organization recorded expenses of \$97,505 and \$92,835, respectively.

**CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

NOTE 13 CONDITIONAL GRANT

In the year ended September 30, 2019, the Organization received a conditional grant of \$1,000,000 to assist in the construction of new dorm buildings. The grant agreement states the dorm building must be completed by September 30, 2024, certain reports are to be provided to the grantor, and the Organization must maintain their nonprofit status. During the year ended September 30, 2023, the new dorm buildings were placed into service and the \$1,000,000 conditional grant was recognized as revenue on the statement of activities and changes in net assets.

NOTE 14 RELATED PARTY TRANSACTIONS

The Organization maintains a portion of its bank depository balances and holds two lines of credit accounts with Northern Trust. A board member was an officer of Northern Trust during the years ended September 30, 2023 and 2022. Bank depository account balances at Northern Trust totaled \$3,662,893 and \$6,166,717 at September 30, 2023 and 2022, respectively. The line of credit balance at Northern Trust totaled \$-0- at September 30, 2023 and 2022. The Organization received contributions from board members totaling \$1,619,510 and \$3,155,308 during the years ended September 30, 2023 and 2022, respectively, and has outstanding unconditional promises to give due from board members totaling \$819,802 and \$1,194,802 at September 30, 2023 and 2022, respectively.

NOTE 15 LEGAL SETTLEMENT

The Organization was involved in litigation surrounding the development of lands in Collier County. On November 11, 2021, the Circuit Court of the Twentieth Judicial Circuit in Collier County ruled against the Organization on the matter and ordered the Organization to pay a total of \$2,870,000 in court fees and legal expenses related to the case. The Organization accrued for the expenses during the year ended September 30, 2021. During the year ended September 30, 2023, the Circuit Court of the Twentieth Judicial Circuit Court in Collier County vacated the judgement and the Organization was no longer liable for the court fees and legal expense. As such, the Organization recognized a gain on the legal settlement totaling \$2,870,000 during the year ended September 30, 2023.

NOTE 16 IN-KIND CONTRIBUTIONS

Many individuals volunteer their time and perform a variety of tasks that assist the Organization in its program services and fundraising campaigns. In-kind contributions include contributed services that are specialized, and the Organization would otherwise have purchased if not donated; therefore, meeting the criteria for recognition. For the years ended September 30, 2023 and 2022, donated professional services and goods were valued at \$39,829 and \$832,720, respectively.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 16 IN-KIND CONTRIBUTIONS (CONTINUED)

In-kind contributions as of September 30 were as follows:

Category	Description	2023	2022
Professional Services	Specialized Services Included		
	Accounting, Legal, and Advertising	\$ -	\$ 823,136
Donated Goods	Auction Items and Supplies	39,829	9,584
	Total	<u>\$ 39,829</u>	<u>\$ 832,720</u>

Contributed professional services are valued using quoted prices from the provider. If quoted prices from the provider are not available, the Organization uses current rates for similar professional services to value to the in-kind revenues for professional services.

Contributed clothing and other donated goods are valued utilizing current prices located on a publicly available website. If the specific item is not listed on a publicly available website, the current average price located on a publicly available website for similar items.

Many individuals volunteer their time, approximately 75,000 hours in 2023 and 2022, and perform a variety of tasks that assist the Organization in educational services, store operations, committee assignments, and fundraising. No amounts have been reflected in the statements of activities and changes in net assets because the criteria for recognition have not been satisfied.