

CONSERVANCY OF SOUTHWEST FLORIDA, INC.

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2022 AND 2021



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**CONSERVANCY OF SOUTHWEST FLORIDA, INC.
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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, 2022 and 2021, and the related statements of activities, 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, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *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.

Correction of an Error

As described in Note 2 to the financial statements, management noted there was an error in the allocation of the endowment appropriation in prior years. This caused the net assets with donor restrictions and net assets without restrictions to be misstated as of October 1, 2020. Our opinion is not modified with respect to that matter.



CliftonLarsonAllen LLP

Naples, Florida
February 8, 2023

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2022 AND 2021 (AS RESTATED)

ASSETS	2022	2021
Cash and Cash Equivalents	\$ 5,872,379	\$ 6,571,036
Cash and Cash Equivalents - Restricted for Long-Term Purposes	1,645,600	471,182
Accrued Interest Receivable	5,004	209
Unconditional Promises to Give, Net	3,664,511	4,570,479
Inventory	21,303	27,453
Prepaid Expenses and Other Assets	505,277	312,039
Other Receivables	551,349	172,525
Investments	38,466,920	48,558,200
Grant Receivables	-	767,209
Trust Receivable and Split-Interest Agreement, Net	2,194,451	2,323,866
Property and Equipment, Net	24,603,390	21,048,832
Construction in Process	5,389,493	4,863,363
Land Held for Conservation	<u>5,015,369</u>	<u>5,018,105</u>
 Total Assets	 <u>\$ 87,935,046</u>	 <u>\$ 94,704,498</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 4,176,365	\$ 3,928,998
Deferred Revenue	1,181,906	1,117,026
Facility Deposits	2,750	3,000
Line of Credit	<u>995,438</u>	-
Total Liabilities	<u>6,356,459</u>	<u>5,049,024</u>
NET ASSETS		
Without Donor Restrictions:		
Undesignated	6,976,608	10,449,224
Designated for Property and Equipment	24,603,390	21,048,832
Board-Designated	<u>18,289,723</u>	<u>18,289,723</u>
Total Without Donor Restrictions	<u>49,869,721</u>	<u>49,787,779</u>
With Donor Restrictions:		
Subject to Purpose or Time Restrictions	11,802,774	20,672,103
Held in Perpetuity	<u>19,906,092</u>	<u>19,195,592</u>
Total With Donor Restrictions	<u>31,708,866</u>	<u>39,867,695</u>
 Total Net Assets	 <u>81,578,587</u>	 <u>89,655,474</u>
 Total Liabilities and Net Assets	 <u>\$ 87,935,046</u>	 <u>\$ 94,704,498</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	-	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	4,591,105	(2,230,536)	2,360,569
Net Assets Released from Restrictions	5,800,277	(5,800,277)	-
Total Support, Revenues, and Reclassifications	10,391,382	(8,030,813)	2,360,569
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	10,309,440	-	10,309,440
Depreciation of Trust Receivable and Split-Interest Agreement	-	(128,016)	(128,016)
CHANGE IN NET ASSETS	81,942	(8,158,829)	(8,076,887)
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>\$ 49,869,721</u>	<u>\$ 31,708,866</u>	<u>\$ 81,578,587</u>

See accompanying Notes to Financial Statements.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2021 (AS RESTATED)

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	\$ 3,639,038	\$ 1,761,364	\$ 5,400,402
Investment Return, Net	5,628,104	3,532,176	9,160,280
Forgiveness of Paycheck Protection Program Loan	1,582,130	-	1,582,130
Employee Retention Credit	767,209	-	767,209
In-Kind Contributions	39,092	-	39,092
Program Income	22,387	-	22,387
Grants	1,051,956	-	1,051,956
Store Sales	15	-	15
Special Events Revenue	\$ 1,639,285	-	-
Special Events Direct Expenses	<u>(263,088)</u>	1,376,197	1,376,197
Other	13,336	-	13,336
Loss on Disposal of Property and Equipment	<u>(51,487)</u>	-	<u>(51,487)</u>
Total Support and Revenues	<u>14,067,977</u>	<u>5,293,540</u>	<u>19,361,517</u>
Net Assets Released from Restrictions	<u>2,758,139</u>	<u>(2,758,139)</u>	-
Total Support, Revenues, and Reclassifications	<u>16,826,116</u>	<u>2,535,401</u>	<u>19,361,517</u>
EXPENSES			
Program Services	8,003,176	-	8,003,176
Management and General	1,086,850	-	1,086,850
Fundraising	<u>818,970</u>	-	<u>818,970</u>
Total Expenses	<u>9,908,996</u>	-	<u>9,908,996</u>
Loss on Contingent Liability	2,870,000	-	2,870,000
Appreciation of Trust Receivable and Split-Interest Agreement	<u>-</u>	<u>146,935</u>	<u>146,935</u>
CHANGE IN NET ASSETS			
Net Assets - Beginning of Year	4,047,120	2,682,336	6,729,456
Correction of an Error	<u>(3,203,420)</u>	<u>3,203,420</u>	-
Net Assets - Beginning of year As Restated	<u>45,740,659</u>	<u>37,185,359</u>	<u>82,926,018</u>
NET ASSETS - END OF YEAR	<u>\$ 49,787,779</u>	<u>\$ 39,867,695</u>	<u>\$ 89,655,474</u>

See accompanying Notes to Financial Statements.

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

	Program Services					Management and General	Fundraising	Total
	Environmental Education	Policy	Science	WRC	Total Program			
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	293,907	728,641
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	190,792	221,079
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	832,720	-	83,369	923,367	-	-	923,367
Rent	12,632	-	5,938	-	18,570	2,434	255,103	276,107
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
Total	2,134,151	2,564,155	1,487,865	1,644,076	7,830,247	1,092,234	1,831,920	10,754,401
Less: Special Event Expenses	-	-	-	-	-	-	(444,961)	(444,961)
Total Expenses	\$ 2,134,151	\$ 2,564,155	\$ 1,487,865	\$ 1,644,076	\$ 7,830,247	\$ 1,092,234	\$ 1,386,959	\$ 10,309,440

See accompanying Notes to Financial Statements.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2021

	Program Services					Management and General	Fundraising	Total
	Environmental Education	Policy	Science	WRC	Total Program			
Advertising and Public Relations	\$ 14,441	\$ 22,441	\$ 18,441	\$ 18,441	\$ 73,764	\$ 5,215	\$ 28,041	\$ 107,020
Contracted Services	65,444	2,479,650	74,295	87,132	2,706,521	40,202	73,017	2,819,740
Depreciation	313,624	313,624	313,624	313,624	1,254,496	70,957	91,436	1,416,889
Food and Beverage	5,806	3,212	2,341	7,285	18,644	4,158	3,056	25,858
Insurance	88,336	78,518	79,857	77,960	324,671	31,897	29,100	385,668
Interns	30,630	390	18,180	45,030	94,230	-	-	94,230
Maintenance	52,601	52,601	52,601	52,601	210,404	28,642	29,751	268,797
Materials and Small Equipment	61,624	9,367	83,085	21,210	175,286	12,390	29,905	217,581
Miscellaneous Expense	-	2,800	-	30,384	33,184	-	1,300	34,484
Office, Printing, and Postage	21,539	30,589	24,027	31,058	107,213	751	70,783	178,747
Rehabilitation, Animal Food, and Supplies	3,392	-	-	83,916	87,308	-	-	87,308
Rent	1,670	1,030	2,326	1,654	6,680	2,140	4,659	13,479
Salaries and Benefits	564,540	806,485	645,188	672,071	2,688,284	873,571	704,777	4,266,632
Telephone and Utilities	49,356	51,408	52,338	54,298	207,400	15,293	13,513	236,206
Travel and Training	2,866	2,234	6,270	3,721	15,091	1,634	2,720	19,445
 Total	 1,275,869	 3,854,349	 1,372,573	 1,500,385	 8,003,176	 1,086,850	 1,082,058	 10,172,084
Less: Special Event Expenses	-	-	-	-	-	-	(263,088)	(263,088)
 Total Expenses	 \$ 1,275,869	 \$ 3,854,349	 \$ 1,372,573	 \$ 1,500,385	 \$ 8,003,176	 \$ 1,086,850	 \$ 818,970	 \$ 9,908,996

See accompanying Notes to Financial Statements.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (8,076,887)	\$ 6,729,456
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
(Gain) Loss on Sale of Investments	1,354,925	(1,437,090)
(Gain) Loss on Sale of Property and Equipment	(7,929)	51,487
Depreciation	1,802,161	1,416,889
Paycheck Protection Program Loan Forgiveness	-	(1,582,130)
Present Value Discount of Unconditional Promises to Give	(27,846)	(59,540)
Net (Appreciation) Depreciation in Fair Value of Investments	7,294,892	(7,220,574)
(Appreciation) Depreciation of Trust Receivable and		
Split-Interest Agreement	128,016	(146,935)
Contributed Securities	(217,682)	(282,211)
Contributions Restricted for Long-Term Purposes	(830,000)	(580,168)
(Accrue) Decrease in:		
Accrued Interest Receivable	(4,795)	31,978
Inventory	6,150	2,437
Grants Receivable	767,209	(767,209)
Prepaid Expenses	(193,238)	(44,507)
Other Receivables	(378,824)	(78,474)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	247,367	2,645,421
Deferred Revenue	64,880	68,778
Facility Deposits	(250)	750
Net Cash Provided (Used) by Operating Activities	<u>1,928,149</u>	<u>(1,251,642)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(4,179,728)	(4,758,114)
Proceeds from Sales of Investments	5,838,873	4,555,884
Increase in Construction in Process	(526,130)	(3,660,148)
Purchase of Property and Equipment	(5,356,554)	(971,553)
Net Cash Used by Investing Activities	<u>(4,213,039)</u>	<u>(4,833,931)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Line of Credit	995,438	-
Proceeds from Paycheck Protection Program Loan	-	793,862
Collections of Contributions Restricted for Long-Term Investment	<u>1,765,213</u>	<u>2,483,244</u>
Net Cash Provided by Financing Activities	<u>2,760,651</u>	<u>3,277,106</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>475,761</u>	<u>(2,808,467)</u>
Cash and Cash Equivalents - Beginning of Year	<u>7,042,218</u>	<u>9,850,685</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 7,517,979</u></u>	<u><u>\$ 7,042,218</u></u>

See accompanying Notes to Financial Statements.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
AS PRESENTED IN THE STATEMENTS OF FINANCIAL POSITION		
Cash and Cash Equivalents	\$ 5,872,379	\$ 6,571,036
Cash and Cash Equivalents - Restricted for Long-Term Purposes	1,645,600	471,182
Total	<u>\$ 7,517,979</u>	<u>\$ 7,042,218</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Construction in Process Placed into Service	<u>\$ 2,839,557</u>	<u>\$ 1,176,762</u>

See accompanying Notes to Financial Statements.

**CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021**

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 50-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.

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.

Liquidity

Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

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.

Assets Held Under 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.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

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.

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, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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.

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 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.

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.

**CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 \$832,720 and \$40,356 in donated goods for use in their programs for the years ended September 30, 2022 and 2021, respectively.

During the year ended September 30, 2021, the Organization was granted \$767,209 in funds under the Employee Retention Credit program of the CARES Act, which has been recognized as grant revenue and receivable in the statement of financial position and statement of activities.

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.

Donated Services

Contributed services are reported as contributions, at their fair value, if such services create or enhance nonfinancial assets, require specialized skills, and are provided by individuals possessing such specialized skills or the services would have been purchased, if not donated. Many individuals volunteer their time, approximately 75,000 hours in 2022 and 73,000 hours in 2021, 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.

Income Taxes

The 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 8, 2023, the date the financial statements were available to be issued.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

The Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2020-07, *(Topic 958): Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU updates the disclosure requirements for nonpublic entities related to in-kind contributions and expenses. The ASU is effective for fiscal years beginning after June 30, 2021. The Organization adopted ASU 2020-07 using the retrospective method. The adoption of 2020-07 has no impact on the Organization's revenues or expenses.

NOTE 2 CORRECTION OF AN ERROR

During the year ended September 30, 2022, it was discovered that the allocation of endowment appropriations was done incorrectly. The accounts affected are noted in the table below:

	<u>As Reported In 2021 Financials</u>	<u>Changes due to Correction of an Error</u>	<u>Amounts that Should Have Been Reported</u>
Beginning Net Assets Without Restriction	\$ 48,944,079	\$ (3,203,420)	\$ 45,740,659
Beginning Net Assets With Restriction	33,981,939	3,203,420	37,185,359
Ending Net Assets Without Restriction	52,991,199	(3,203,420)	49,787,779
Ending Net Assets With Restriction	36,664,275	3,203,420	39,867,695

The beginning and ending net assets with and without donor restriction have been corrected as of October 1, 2020 in the statement of activities.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 3 LIQUIDITY AND AVAILABILITY

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

	<u>2022</u>	<u>2021</u>
Current Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 5,872,379	\$ 6,571,036
Cash and Cash Equivalents - Restricted for Long-Term Purposes	1,645,600	471,182
Accrued Interest Receivable	5,004	209
Unconditional Promises to Give, Net	3,664,511	4,570,479
Grant and Other Receivables	551,349	939,734
Investments	38,466,920	48,558,200
Trust Receivable and Split-Interest Agreement, Net	<u>2,194,451</u>	<u>2,323,866</u>
Total Current Financial Assets at Year-End	<u>52,400,214</u>	<u>63,434,706</u>
Less:		
Net Assets with Donor Restrictions	(11,802,774)	(17,468,683)
Endowment Net Assets	(19,906,092)	(19,195,592)
Net Assets Designated by Board Program	<u>(18,289,723)</u>	<u>(18,616,093)</u>
Total	<u>\$ 2,401,625</u>	<u>\$ 8,154,338</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.

NOTE 4 UNCONDITIONAL PROMISES TO GIVE, NET

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

	<u>2022</u>	<u>2021</u>
Unconditional Promises to Give	\$ 3,727,630	\$ 4,662,843
Less: Allowance for Doubtful Accounts	(10,000)	(10,000)
Less: Discount to Net Present Value	(53,119)	(82,364)
Total	<u>\$ 3,664,511</u>	<u>\$ 4,570,479</u>

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

One Year or Less	\$ 1,980,766
Two to Five Years	1,746,864
Total	<u>\$ 3,727,630</u>

Unconditional promises to give are reflected at present value of estimated cash flows using a discount rate of 0.09% to 4.00% at September 30, 2022 and 2021. Management has estimated the allowance for doubtful accounts to be approximately \$10,000 for 2022 and 2021.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 5 INVESTMENTS AND FAIR VALUE

Investments at September 30 are composed of the following:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Equities - Domestic	\$ 11,110,352	\$ 12,230,038	\$ 17,893,430	\$ 24,886,009
Equities - Foreign	-	-	5,928,096	7,673,673
U.S. Agency Bonds	1,203,492	1,115,677	972,557	1,011,266
Corporate Bonds	2,759,223	2,441,824	2,682,716	2,725,555
Municipal Bonds	2,855,294	2,557,436	2,778,602	2,850,201
Mutual Funds - Real Estate	2,149,341	2,057,339	2,019,553	2,395,500
Mutual Funds - Fixed Income	15,942,390	17,751,318	6,357,244	6,491,475
Alternative investments	-	-	-	5,000
Mortgage Pools	334,006	313,288	518,288	519,521
Total	<u>\$ 36,354,098</u>	<u>\$ 38,466,920</u>	<u>\$ 39,150,486</u>	<u>\$ 48,558,200</u>

The following tabulation summarizes unrealized and realized gains for the years ended September 30:

<u>September 30, 2022</u>	Cost	Fair Value	Excess of Fair Value Over Cost
Balance - September 30, 2021	\$ 39,150,486	\$ 48,558,200	\$ 9,407,714
Balance - September 30, 2022	<u>36,354,098</u>	<u>38,466,920</u>	<u>2,112,822</u>
Decrease in Unrealized Appreciation			(7,294,892)
Net Realized Loss on Investments			(1,354,925)
Net Loss on Investments			<u>\$ (8,649,817)</u>

<u>September 30, 2021</u>	Cost	Fair Value	Excess of Fair Value Over Cost
Balance - September 30, 2020	\$ 37,228,955	\$ 39,416,095	\$ 2,187,140
Balance - September 30, 2021	<u>39,150,486</u>	<u>48,558,200</u>	<u>9,407,714</u>
Increase in Unrealized Appreciation			7,220,574
Net Realized Gain on Investments			1,437,090
Net Gain on Investments			<u>\$ 8,657,664</u>

The components of investment return are as follows:

	2022	2021
Dividends and Interest	\$ 879,792	\$ 609,526
Gain on Sale of Investments	(1,354,925)	1,437,090
Net Change in Appreciation (Depreciation) in Fair Value of Investments	(7,294,892)	7,220,574
Investment Management Fees	(105,019)	(106,910)
Total Investment Return	<u>\$ (7,875,044)</u>	<u>\$ 9,160,280</u>

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 5 INVESTMENTS AND FAIR VALUE (CONTINUED)

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.

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, 2022:

	Level 1	Level 2	Level 3	Total
Assets:				
Equities - Domestic	\$ 12,230,038	\$ -	\$ -	\$ 12,230,038
Equities - 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
Alternative Investments	-	-	-	-
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 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, 2021:

	Level 1	Level 2	Level 3	Total
Assets:				
Common Stock - Domestic	\$ 24,886,009	\$ -	\$ -	\$ 24,886,009
Common Stock - Foreign	7,673,673	-	-	7,673,673
Mutual Funds - Fixed Income	6,491,475	-	-	6,491,475
Mutual Funds - Real Estate	2,395,500	-	-	2,395,500
Corporate Bonds	-	2,725,555	-	2,725,555
Mortgage Pools	-	519,521	-	519,521
Municipal Bonds	-	2,850,201	-	2,850,201
U.S. Agency Bonds	-	1,011,266	-	1,011,266
Alternative Investments	-	5,000	-	5,000
Trust Receivable and				
Split-Interest Agreement	-	-	2,323,866	2,323,866
Total	<u>\$ 41,446,657</u>	<u>\$ 7,111,543</u>	<u>\$ 2,323,866</u>	<u>\$ 50,882,066</u>

**CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021**

NOTE 5 INVESTMENTS AND FAIR VALUE (CONTINUED)

	Split-Interest Agreement	
	2022	2021
Gains (Losses)	\$ (128,016)	\$ 146,935
Change in Split-Interest Agreement Discount to Net Present Value	(1,399)	1,034
Instrument	Fair Value	
	2022	2021
Split-Interest Agreement and Trust Receivable	\$ 2,194,451	\$ 2,323,866

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 6 PROPERTY AND EQUIPMENT, NET

Property and equipment at September 30 consist of the following:

	2022	2021
Land	\$ 579,046	\$ 579,046
Building and Improvements	33,082,031	28,855,369
Museum Exhibits	1,564,559	248,209
Furniture and Equipment	2,993,355	3,239,576
Transportation and Marine Equipment	1,380,756	1,348,189
Statuary	100,231	100,231
Subtotal	<u>39,699,978</u>	<u>34,370,620</u>
Less: Accumulated Depreciation	<u>(15,096,588)</u>	<u>(13,321,788)</u>
Total, Net	<u>\$ 24,603,390</u>	<u>\$ 21,048,832</u>

Depreciation expense for the years ended September 30, 2022 and 2021 was \$1,802,161 and \$1,416,889, respectively.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 7 CONSTRUCTION IN PROCESS

In connection with the Organization's planned building and exhibits, construction in process as of September 30, 2022 and 2021 totaled \$5,389,493 and \$4,863,363, respectively. During the years ended September 30, 2022 and 2021, \$2,839,557 and \$1,176,762 of construction in process was placed into service, respectively. During the years ended September 30, 2022 and 2021, the Organization capitalized no interest related to its ongoing construction projects.

NOTE 8 TRUST RECEIVABLE AND SPLIT-INTEREST AGREEMENT

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

	2022	2021
Trust Receivable	\$ 1,784,641	\$ 1,806,452
Split-Interest Agreement	403,815	510,020
Beneficial Asset Held by Others	5,995	7,394
Total	<u>\$ 2,194,451</u>	<u>\$ 2,323,866</u>

During the year ended September 30, 2015, the Organization transferred funds to the Community Foundation of Collier County for investment purposes. The Community Foundation of Collier County holds variance power over the funds and is holding the funds for the benefit of the Organization. Future benefits of these funds remain on the books of the Organization as the funds were originally donated to the Organization. The amounts are recorded at fair value at September 30, 2022 and 2021.

NOTE 9 CASH RESTRICTED FOR LONG-TERM PURPOSES

In 2014, the Conservancy 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, 2022 and 2021 was \$296,047 and \$295,531, respectively.

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

	2022	2021
Cash Restricted for Endowment	\$ 1,349,553	\$ 175,651
Cash Restricted for Conservation	296,047	295,531
Total	<u>\$ 1,645,600</u>	<u>\$ 471,182</u>

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 10 PAYCHECK PROTECTION PROGRAM LOAN

On April 28, 2020, the Organization received a loan from a financial institution in the amount of \$788,268 to fund payroll, rent, and utilities through the Paycheck Protection Program Flexibility Act of 2020 (the PPP Loan). The PPP Loan could be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers as outlined in the loan agreement and the CARES Act. The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position. On December 29, 2020, the SBA formally forgave the entire portion of the Organization's obligation under this PPP Loan. Therefore, the Organization recognized \$788,268 in revenue for the year ended September 30, 2021.

On March 17, 2021, the Organization received a loan from a financial institution in the amount of \$793,862 to fund payroll, rent, and utilities through the Paycheck Protection Program Flexibility Act of 2020 (the PPP Loan). The PPP Loan could be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers as outlined in the loan agreement and the CARES Act. The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position. On August 31, 2021, the SBA formally forgave the entire portion of the Organization's obligation under this PPP Loan. Therefore, the Organization recognized \$793,862 in revenue for the year ended September 30, 2021.

Total PPP loan forgiveness revenue for the year ended September 30, 2021 totaled \$1,582,130 and is included in the statement of activities.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the position that any review will not have a material adverse impact on the Company's financial position.

NOTE 11 LINE OF CREDIT

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

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 12 ENDOWMENT (AS RESTATED)

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, 2022 and 2021.

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.

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.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 12 ENDOWMENT (AS RESTATED) (CONTINUED)

Spending Policy

During the year ended September 30, 2022 and 2021, 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. 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, 2020	\$ 19,448,056	\$ 2,586,524	\$ 17,640,017	\$ 39,674,597
Contributions	135,123	-	685,570	820,693
Cash Collected on Unconditional Promises to Give	-	-	346,375	346,375
Investment Return:				
Investment Income	298,668	310,858	-	609,526
Investment Expense	(52,386)	(54,524)	-	(106,910)
Realized Gain on Sale of Investments	704,174	732,916	-	1,437,090
Net Appreciation	3,538,081	3,682,493	-	7,220,574
Total Investment Return	4,488,537	4,671,743	-	9,160,280
Appropriations	(621,653)	(647,026)	-	(1,268,679)
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 Depreciation	(3,501,548)	(3,793,344)	-	(7,294,892)
Total Investment Loss	(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	<u>\$ 18,516,822</u>	<u>\$ 1,592,776</u>	<u>\$ 19,706,290</u>	<u>\$ 39,815,888</u>

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS (AS RESTATED)

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

	2022	2021
Subject to Expenditure for Specified Purpose:		
Unappropriated Endowment Earnings (Loss)	\$ 1,592,776	\$ 6,611,241
Land Acquisition	296,692	296,692
Capital Projects	4,741,328	8,076,932
Science and Environmental Programs	1,097,180	1,054,858
Youth Programs	40,000	38,351
Intern Program	-	14,818
Magic Temporarily Restricted Funds	16,274	22,342
Subject to Passage of Time:		
Unconditional Promises to Give, Net	3,614,709	4,046,849
Split-Interest Agreement	403,815	510,020
Total	<u><u>\$ 11,802,774</u></u>	<u><u>\$ 20,672,103</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:

	2022	2021
General Endowment	\$ 3,763,632	\$ 3,763,944
Policy Projects	4,800,000	4,300,000
von Arx Wildlife Hospital and Veterinary	4,187,316	4,186,816
Education	742,372	742,372
Science	579,294	379,294
Turtles	222,732	212,732
Interns	2,510,659	2,510,659
Endowment for President Position	3,000,087	2,999,775
Other	100,000	100,000
Total	<u><u>\$ 19,906,092</u></u>	<u><u>\$ 19,195,592</u></u>

NOTE 14 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, 2022 and 2021, the Organization recorded expenses of \$92,835 and \$90,303, respectively.

**CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021**

NOTE 15 COMMITMENTS

The Organization leases property that is adjacent to the Organization's Nature Center. The lease automatically renews each year unless the lessor advises the Organization in writing 90 days prior to expiration. The annual rent for the property is \$1 plus the annual real estate taxes on the unimproved portion of the property.

NOTE 16 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. The grant is included in deferred revenue for the year ended September 30, 2022 and will be recognized upon completion of the conditions in the grant agreement.

NOTE 17 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, 2022 and 2021. Bank depository account balances at Northern Trust totaled \$6,166,717 and \$6,865,537 at September 30, 2022 and 2021, respectively. The line of credit balances at Northern Trust totaled \$995,438 and \$0- at September 30, 2022 and 2021, respectively. The Organization received contributions from board members totaling \$3,155,308 and \$1,603,293 during the years ended September 30, 2022 and 2021, respectively, and has outstanding unconditional promises to give due from board members totaling \$1,194,802 and \$2,110,845 at September 30, 2022 and 2021, respectively.

NOTE 18 ACCRUED CONTINGENT LIABILITY

The Organization is 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. The \$2,870,000 is recorded as an accrued liability for the years ended September 30, 2022 and 2021 as shown on the statement of financial position and statement of activities. The Organization has retained legal counsel and is appealing the November 11, 2021 ruling.

CONSERVANCY OF SOUTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 19 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, 2022 and 2021, donated professional services and goods were valued at \$832,720 and \$39,092, respectively.

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

Category	Description	2022	2021
Professional Services	Specialized services included accounting, legal, and advertising	\$ 823,136	\$ 30,239
Clothing & Other Donated Goods	Clothing, toys, auction items, and other personal products	9,584	8,853
Total		<u>\$ 832,720</u>	<u>\$ 39,092</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.