MARINE DISCOVERY CENTER, INC.

NEW SMYRNA BEACH, FLORIDA

FINANCIAL STATEMENTS

(AUDITED)

DECEMBER 31, 2023 AND 2022

BH BW
BOLERJACK, HALSEMA, BOWLING & WHITE PA
CERTIFIED PUBLIC ACCOUNTANTS

MARINE DISCOVERY CENTER, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Marine Discovery Center, Inc.
New Smyrna Beach, Florida

Opinion

We have audited the accompanying financial statements of Marine Discovery Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year 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 Marine Discovery Center, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Marine Discovery Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Marine Discovery Center, Inc.'s ability to continue as a going concern within one year after the date that 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Marine Discovery Center, 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 Marine Discovery Center, 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.

Report on Summarized Comparative Information

We have previously audited Marine Discovery Center, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bolejack, Habrusky, Bailey & Mote PA

New Smyrna Beach, Florida
February 19, 2025

FINANCIAL STATEMENTS

MARINE DISCOVERY CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023
(With Summarized Totals as of December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
ASSETS				
Cash and cash equivalents	$ 194,654	$ 512,022	$ 706,676	$ 589,535
Short-term investments, at fair value	610,829	0	610,829	524,359
Grants and contributions receivable	89,676	0	89,676	11,319
Inventory	22,615	0	22,615	19,419
Prepaid expenses	6,684	0	6,684	21,741
Property and equipment, net	1,357,522	0	1,357,522	649,471
Construction in progress	7,950	0	7,950	530,841
Other assets	15,000	0	15,000	0
Deposits	2,350	0	2,350	2,350
TOTAL ASSETS	$ 2,307,280	$ 512,022	$ 2,819,302	$ 2,349,035
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	$ 2,083	$ 0	$ 2,083	$ 235,618
Accrued expenses	32,674	0	32,674	25,979
Contract liabilities	6,670	0	6,670	8,304
Total Liabilities	$ 41,427	$ 0	$ 41,427	$ 269,901
Net Assets:				
Without donor restrictions:				
Available for operations	$ 1,854,164	$ 0	$ 1,854,164	$ 1,270,742
Board designated	411,689	0	411,689	411,689
With donor restrictions	0	512,022	512,022	396,703
Total Net Assets	$ 2,265,853	$ 512,022	$ 2,777,875	$ 2,079,134
TOTAL LIABILITIES AND NET ASSETS	$ 2,307,280	$ 512,022	$ 2,819,302	$ 2,349,035

The Accompanying Notes Are an Integral Part of These Financial Statements

MARINE DISCOVERY CENTER, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023
(With Summarized Totals for the Year Ended December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
SUPPORT AND REVENUE				
Support:				
Grants	$ 222,258	$ 0	$ 222,258	$ 71,447
Contributions	699,914	258,492	958,406	780,822
In-kind contributions	15,000	212,500	227,500	249,265
Special events	78,504	0	78,504	52,600
Memberships	28,508	0	28,508	26,315
Total Support	$ 1,044,184	$ 470,992	$ 1,515,176	$ 1,180,449
Revenues, Gains and Losses:				
Boat tours	$ 223,864	$ 0	$ 223,864	$ 209,843
Kayak tours	25,038	0	25,038	33,501
Camps	161,676	0	161,676	148,819
Education programs	93,267	0	93,267	62,092
Gift shop sales	68,569	0	68,569	65,385
Investment income, net	99,369	0	99,369	(40,058)
Miscellaneous income	108	0	108	5,602
Total Revenue, Gains and Losses	$ 671,891	$ 0	$ 671,891	$ 485,184
TOTAL SUPPORT AND REVENUE	$ 1,716,075	$ 470,992	$ 2,187,067	$ 1,665,633
Net assets released from restrictions:				
Satisfaction of program restrictions	355,673	(355,673)	0	0
TOTAL SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS	$ 2,071,748	$ 115,319	$ 2,187,067	$ 1,665,633
EXPENSES				
Boat tours	$ 350,104	$ 0	$ 350,104	$ 322,290
Kayak tours	17,607	0	17,607	50,933
Camps	270,714	0	270,714	243,498
Education programs	191,372	0	191,372	113,683
Welcome center/gift shop	158,089	0	158,089	131,450
Exhibits	97,587	0	97,587	80,367
Restoration and preservation projects	251,978	0	251,978	150,930
Management and general	111,062	0	111,062	163,128
Special events/fundraising	39,813	0	39,813	38,824
TOTAL EXPENSES	$ 1,488,326	$ 0	$ 1,488,326	$ 1,295,103
CHANGE IN NET ASSETS	$ 583,422	$ 115,319	$ 698,741	$ 370,530
NET ASSETS - BEGINNING OF YEAR	1,682,431	396,703	2,079,134	1,708,604
NET ASSETS – END OF YEAR	$ 2,265,853	$ 512,022	$ 2,777,875	$ 2,079,134

The Accompanying Notes Are an Integral Part of These Financial Statements

MARINE DISCOVERY CENTER, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023
(With Summarized Totals for the Year Ended December 31, 2022)

	Boat Tours	Kayak Tours	Camps	Education	Welcome Center/ Gift Shop	Exhibits	Restoration and Preservation Projects	Total Program Services	Management and General	Special Events/ Fundraising	2023 Total Expenses	2022 Total Expenses
Salaries, taxes and benefits	$ 162,907	$ 12,994	$ 119,346	$ 88,406	$ 80,498	$ 52,399	$ 91,850	$ 608,400	$ 24,915	$ 0	$ 633,315	$ 498,255
Cost of sales	0	0	0	0	27,988	0	0	27,988	0	0	27,988	36,471
Project expenses	0	0	0	0	0	0	160,128	160,128	0	0	160,128	96,950
Professional development	0	0	0	0	0	0	0	0	2,106	0	2,106	3,276
Telephone	0	0	0	0	0	0	0	0	0	0	0	254
Utilities	8,558	0	5,559	3,207	2,358	1,158	0	20,840	2,315	0	23,155	16,604
Maintenance and repairs	29,792	0	0	0	0	22,042	0	51,834	2,456	0	54,290	66,812
Office expense	17,792	0	11,557	6,667	4,901	2,407	0	43,324	4,814	0	48,138	41,464
Supplies	13,271	2,247	9,607	6,424	4,710	0	0	36,259	32,204	0	68,463	59,403
Insurance	12,719	2,366	7,530	2,681	2,524	0	0	27,820	7,772	0	35,592	34,788
Professional fees	12,369	0	8,035	4,635	3,408	1,673	0	30,120	3,347	0	33,467	62,959
Marketing	2,956	0	1,920	1,108	814	400	0	7,198	800	0	7,998	40,356
Facility lease – In Kind	78,541	0	51,017	29,430	21,637	10,625	0	191,250	21,250	0	212,500	212,500
Boat/kayak costs allocated	(31,945)	0	14,284	17,661	0	0	0	0	0	0	0	0
Scholarships and field trips	0	0	20,047	18,570	0	0	0	38,617	0	0	38,617	21,690
Special events/fundraising	0	0	0	0	0	0	0	0	0	39,813	39,813	38,824
Depreciation	43,144	0	21,812	12,583	9,251	6,883	0	93,673	9,083	0	102,756	64,497
TOTAL EXPENSES	$ 350,104	$ 17,607	$ 270,714	$ 191,372	$ 158,089	$ 97,587	$ 251,978	$ 1,337,451	$ 111,062	$ 39,813	$ 1,488,326	$ 1,295,103

The Accompanying Notes Are an Integral Part of These Financial Statements

MARINE DISCOVERY CENTER, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 698,741	$ 370,530
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	102,756	64,497
Unrealized (gain) loss on investments	(73,257)	43,236
In-kind contribution of assets	0	(36,765)
(Increase) Decrease in:		
Grants and contributions receivable	(78,357)	(11,119)
Inventory	(3,196)	2,613
Prepaid expenses	15,057	(9,475)
Other assets	(15,000)	0
Increase (Decrease) in:		
Accounts payable	(233,535)	222,902
Accrued expenses	6,695	18,123
Contract liabilities	(1,634)	8,304
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 418,270	$ 672,846
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchases) of investments	$ (13,213)	$ (533,336)
Sales of investments	0	196,302
Construction in progress	522,891	(516,741)
Purchases of property and equipment	(810,807)	(29,658)
NET CASH (USED IN) INVESTING ACTIVITIES	$ (301,129)	$ (883,433)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	$ 117,141	$ (210,587)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
– BEGINNING OF YEAR	589,535	800,122
– END OF YEAR	$ 706,676	$ 589,535

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows:

Cash and cash equivalents	$ 194,654	$ 192,832
Restricted cash	512,022	396,703
TOTAL CASH, CASH EQUIVALENTS AND RESTRICTED CASH	$ 706,676	$ 589,535

Amounts included in restricted cash represent those that are donor restricted for specific purposes.

The Accompanying Notes Are an Integral Part of These Financial Statements

1. NATURE OF ACTIVITIES

Marine Discovery Center, Inc. (the Organization) is a non-profit 501(c)(3) entity incorporated under the laws of the State of Florida on July 25, 1997. The Organization was formed to protect and restore Florida's coastal and Indian River Lagoon ecosystems through education, research and community stewardship. Specifically, the Organization provides hands-on, feet-wet educational programs through boat, kayak and walking tours of the Indian River Lagoon and surrounding coastal ecosystems including live animal exhibits, children's camps, and various collaboration projects with government agencies, universities, non-government organizations and the private sector.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when performance obligations are satisfied and expenses are recognized when incurred.

B. Financial Statement Presentation

Financial statement presentation follows the requirements of FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor-imposed restrictions.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization and/or passage of time, and net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Revenue Recognition

Revenue from exchange transactions is measured based on the amount of consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. Exchange transactions are those in which a reciprocal transfer occurs between two entities, exchanging resources for assets. The Organization recognizes revenue when and as performance obligations are satisfied, which generally occurs with the transfer of control of the goods or services to the customer. The Organization's revenue sources which are transferred at a point in time include boat and kayak tours, camps, education programs, and gift shop sales. The Organization's revenue sources which are transferred over time include membership. The timing of the Organization's revenue recognition from exchange transactions is as follows:

	2023	2022
Services transferred at a point in time	$ 572,414	$ 519,640
Services transferred over time	28,508	26,315
Total revenue from contracts with customers	$ 600,922	$ 545,955

The Organization had no receivables from contracts with customers or contract assets as of December 31, 2023 and 2022. The Organization had contract liabilities of $6,670 and $8,304 as of December 31, 2023 and 2022, respectively.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents are defined as cash deposits and money-market accounts with original maturities of 90 days or less.

E. Investments

Investments in marketable securities with readily determinable fair values are reported at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. To calculate realized gains or losses on the disposition of investments and unrealized gains or losses, cost is determined by specific identification. All gains or losses and ordinary income from investments are accounted for as revenue without donor restrictions unless it is restricted for a specific purpose by the donor of the related investment.

F. Grants and Contributions Receivable

Grants and contributions receivable for services rendered are primarily from state agencies and local organizations. Unconditional promises to give are recognized as revenues in the period received and as assets, or decreases in liabilities or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Due to the nature of these agencies, no allowance for credit losses has been established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

G. Inventory

Inventory consists of items for sale in the Organization's gift shop and is stated at the lower of cost or net realizable value. Cost is determined using the weighted-average cost method of accounting.

H. Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, grants and contributions receivable and accounts payable approximates fair value due to the short maturity of these instruments. None of the financial instruments are held for trading purposes.

I. Contributions

Contributions, including unconditional promises to give, are recorded as received. All contributions are considered to be available for use as net assets without donor restrictions unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are reflected as short-term contributions receivable and are recorded at their net realizable value.

Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support that increases the net assets with donor restrictions net asset class. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

J. Donated Services, Facilities and Other In-Kind Support

Contributions of donated services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations, are recorded at their fair values in the period received. Donated services, facilities and other in-kind support that meet the above criteria are recognized as revenues and are reported in the accompanying financial statements at their estimated fair value at the time of receipt.

No amounts have been reflected in the accompanying financial statements for donated services. The Organization generally pays for services requiring specific expertise. Many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Property and Equipment

Property and equipment are stated at cost or at estimated fair value at the date of the gift. Expenditures for additions, improvements and major replacements greater than $2,500 are capitalized; expenditures for maintenance, repairs and minor renewals are charged to expense as incurred.

Certain donated services are capitalized as improvements when those services enhance the value of assets. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Depreciation is computed on the straight-line basis over the estimated useful lives of the respective assets, which range from 5 to 39 years.

L. Concentration of Credit Risk

The Organization receives support through grants from the Florida Fish and Wildlife Conservation Commission and the Indian River Lagoon Council. The grants are negotiated annually and are based upon the availability of funds at that time. The Organization also receives support through a grant from the County of Volusia for improvements to the Organization's property.

Any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance by the Organization within the terms of the grants agreements. The funding received from the sources listed above is subject to annual availability of funds. This funding is subject to change and could be subject to the budgetary constraints of the funding sources.

Credit risk with respect to receivables is limited due to the credit worthiness of the government entities and organizations from whom the amounts are due.

The Organization also receives substantial support from a community of volunteers both in the form of in-kind services and monetary funds. In the event these sources of revenue were to discontinue, the Organization would have a difficult time achieving current program goals.

The Organization maintains deposits in one financial institution insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2023 and 2022, the Organization had approximately $22,000 and $312,000, respectively in excess of the FDIC coverage. The Organization also maintains investment accounts with an investment firm that is a member of the Securities Investor Protection Corporation (SIPC), which insures balances up to $500,000.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

M. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been included in these financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no net unrelated business income for the years ended December 31, 2023 and 2022.

The Organization believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ended December 31, 2020 through 2023, are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

N. Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Functional and Cost Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well depreciation, which is allocated based on the location of the respective assets. The costs of the Organization's activities have been summarized on a functional basis in the accompanying Statement of Activities. Accordingly, certain costs have been allocated between programs and supporting services.

P. Components of Program and Supporting Services

Program services consist of activities related to the restoration and protection of the Indian River Lagoon ecosystem and the services that the Organization provides. Supporting services consist of fundraising and administrative activities.

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization holds short-term investments for the purpose of investing excess operating cash. Cost and fair value of investments at December 31, 2023 and 2022, is as follows:

	2023			
	Cost	Fair Value	Carrying Value	Unrealized Gain (Loss)
Cash	$ 4,331	$ 4,331	$ 4,331	$ 0
Exchange traded funds	537,497	606,498	606,498	69,001
TOTAL INVESTMENTS	$ 541,828	$ 610,829	$ 610,829	$ 69,001

	2022			
	Cost	Fair Value	Carrying Value	Unrealized Gain (Loss)
Cash	$ 4,511	$ 4,511	$ 4,511	$ 0
Mutual funds	524,511	519,848	519,848	(4,663)
TOTAL INVESTMENTS	$ 529,022	$ 524,359	$ 524,359	$ (4,663)

Funds are held in cash, exchange traded funds, and mutual funds through Charles Schwab. Investments in marketable securities with readily determinable fair values are reported at fair value in the accompanying statement of financial position. Fair values for short-term investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

Generally accepted accounting principles provide a framework for measuring fair value and require expanded disclosure about fair value measurements of certain assets and liabilities. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Generally accepted accounting principles also establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.
Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Organization utilizes *Level 1* inputs to measure the fair value for all of its investments at December 31, 2023 and 2022. The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels during the years ended December 31, 2023 and 2022.

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Cont'd)

The following schedule summarizes the investment income (loss) included in the statement of activities:

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Interest and dividend income	$ 26,112	$ 0	$ 26,112	$ 3,178
Unrealized gain (loss)	73,257	0	73,257	(43,236)
TOTAL INVESTMENT INCOME, NET	$ 99,369	$ 0	$ 99,369	$ (40,058)

4. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable, including unconditional promises to give, at December 31, 2023 and 2022, are as follows:

	2023	2022
Receivable in less than one year	$ 89,676	$ 11,319
TOTAL GRANTS AND CONTRIBUTIONS RECEIVABLE	$ 89,676	$ 11,319

Grants and contributions receivable consist of amounts due from the Indian River Lagoon Council and other local organizations. Differences between the amounts allocated or granted and collected from these entities have historically been insignificant. Accordingly, no provision is made for uncollectible amounts.

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2023 and 2022:

	2023	2022
Leasehold improvements	$ 1,588,664	$ 809,736
Boat and kayaks	99,655	99,655
Vehicles	31,396	31,396
Equipment and software	11,477	2,998
Displays	23,400	0
	$ 1,754,592	$ 943,785
Less: Accumulated depreciation	(397,070)	(294,314)
PROPERTY AND EQUIPMENT, NET	$ 1,357,522	$ 649,471

Depreciation expense was $102,756 and $64,497 for the years ended December 31, 2023 and 2022, respectively. Construction in progress at December 31, 2023 consists of costs for the Organization's dock and totaled $7,950. Construction in progress at December 31, 2022 consists of costs for the Organization's new pavilion and trailhead and totaled $530,841.

6. OPERATING LEASE – IN-KIND

The Organization leases its facility under a 50-year sub-lease agreement from the Florida Fish and Wildlife Conservation Commission which expires May 7, 2058. The sub-lease does not require monthly lease payments. The Organization has recorded $212,500 as in-kind contribution revenue and lease expense for the value of the contributed use of its facilities during the years ended December 31, 2023 and 2022.

7. SHARED COSTS

The Organization shares its sub-leased building with another non-profit entity. In accordance with a written memorandum of understanding between the Organization and the other non-profit entity, certain expenses related to the sub-leased facilities are shared based upon square footage utilized.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are subject to the following purpose restrictions at December 31, 2023 and 2022:

	2023	2022
Capital Projects	$ 126,522	$ 110,056
Costa Fishing	14,774	14,774
Hunter (Technology)	0	4,129
Musante	10,500	0
Disney Foundation	170,000	0
Ehrhardt Camp	14,000	16,000
Garden Circles	30,388	39,553
Jeep Beach	0	12,500
Labyrinth	1,525	1,525
Exhibits	0	31,815
Camp and Field Trip Scholarship	48,022	59,836
Conservation Science	96,291	106,515
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	$ 512,022	$ 396,703

9. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors during the years ended December 31, 2023 and 2022 as follows:

	2023	2022
Capital Projects	$ 32,534	$ 0
Costa Fishing	0	1,976
Hunter (Technology)	4,129	27,296
Ehrhardt Camp	2,000	2,000
Garden Circles	16,865	2,447
Cambata	12,386	0
Jeep Beach	12,500	10,000
Labyrinth	0	350
Exhibits	31,815	38,265
Scholarships	16,570	2,334
Conservation science	14,224	39,816
ECHO Project	0	197,280
Engage by Cell	0	13,250
Miscellaneous	150	575
In-kind use of facilities	212,500	212,500
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	$ 355,673	$ 548,089

10. BOARD DESIGNATED NET ASSETS

Board Designated net assets are as follows at December 31, 2023 and 2022:

	2023	2022
Board designated endowment	$ 411,689	$ 411,689
TOTAL BOARD DESIGNATED NET ASSETS	$ 411,689	$ 411,689

11. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual, Board designated, or donor-imposed restrictions within one year of the statement of financial position date.

	2023	2022
Financial assets	$ 1,407,181	$ 1,125,213
Less those unavailable for general expenditures within one year due to:		
Donor-imposed restrictions:		
Capital Projects	(126,522)	(110,056)
Costa Fishing	(14,774)	(14,774)
Hunter (Technology)	0	(4,129)
Musante	(10,500)	0
Disney Foundation	(170,000)	0
Ehrhardt Camp	(14,000)	(16,000)
Garden Circles	(30,388)	(39,553)
Jeep Beach	0	(12,500)
Labyrinth	(1,525)	(1,525)
Exhibits	0	(31,815)
Camp and Field Trip Scholarship	(48,022)	(59,836)
Conservation Science	(96,291)	(106,515)
Board designations:		
Board designated endowment	(411,689)	(411,689)
Financial assets available to meet cash needs for general expenditure within one year	$ 483,470	$ 316,821

The Organization is substantially supported by contributions, some of which are restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments, typically mutual funds. Occasionally, the Board also designates a portion of any operating surplus as reserves for various anticipated needs.

12. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Organization could be party to various matters involving disputes and/or litigation. While it is not possible at this time to determine the ultimate outcome of any such matters, management believes that any ultimate liability will not be material to the financial statements.

13. RISKS AND UNCERTAINTIES

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated and spread to several countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States declared states of emergency. It is unknown how long the economic impact of this situation on the business environment will last. The potential future disruptions to the Organization's operations or financial impact of these issues, if any, cannot be determined.

14. DATE OF MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 19, 2025, the date the financial statements were available to be issued.