

SAVE THE MANATEE CLUB, INC

**AUDITED
FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED
DECEMBER 31, 2019 AND DECEMBER 31, 2018**

FRANK J. GUIDA C. P. A., P. A.

SAVE THE MANATEE CLUB, INC

Table of Contents

Independent Auditor's Report	1
Financial statements for the Years Ended December 31, 2019 and December 31, 2018	
Statement of financial position	2
Statement of activities -2019	3
Statement of activities-2018	4
Statement of changes in net assets	5
Statement of Cash Flows	6
Statement of Functional expenses 2019	7
Statement of Functional expenses 2018	8
Notes to Financial Statements	9-22

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Independent Auditor's Report

Board of Trustees
Save the Manatee Club, Inc
Maitland, FL

We have audited the accompanying financial statement of Save the Manatee Club, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2019 and 2018 and the related statements of activities, changes in net assets, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Save the Manatee Club, Inc. as of December 31, 2019 and 2018, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Frank J Guida CPA, PA

Frank J. Guida C.P.A., P.A.
Maitland, Florida
December 04 2020

SAVE THE MANATEE CLUB

STATEMENT OF FINANCIAL POSITION

as of

December 31, 2019 and December 31, 2018

	ASSETS	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Cash and cash equivalents	\$ 256,777	\$ 360,045
Receivables	1,781	1,572
Inventory	29,447	23,057
Prepaid expenses	42,521	85,099
Total current assets	330,526	469,773
Investments	1,380,033	1,077,441
Donated Land (held for sale)	13,360	13,360
Equipment (less accumulated depreciation of 123,961 and 118,200)	9,671	15,431
Deposits and other assets	2,200	2,200
Total Assets	\$ 1,735,790	\$ 1,578,205

LIABILITIES AND NET ASSETS

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
LIABILITIES		
Accounts payable and accrued expenses	79,057	\$ 91,701
Total current liabilities	79,057	91,701
NET ASSETS		
Without donor restrictions	1,219,234	1,102,261
With donor restrictions	437,499	384,243
Total net assets	1,656,733	1,486,504
Total Liabilities and Net Assets	1,735,790	\$ 1,578,205

SAVE THE MANATEE CLUB

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED

December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue:			
Memberships	\$ 378,976		378,976
Contributions	707,592	104,278	811,870
Contributions-In Kind	400,951		400,951
Grants	116,197	-	116,197
Merchandise sales	106,876		106,876
Investment income, net	129,623		129,623
Other income	350		350
Net assets released from restrictions			
Satisfaction of program expenditure restrictions	51,022	(51,022)	-
Satisfaction of equipment acquisition restriction:	-		-
Total Support and Revenue	1,891,587	53,256	1,944,843
Expenses and Losses:			
Program services:			
Conservation	356,551		356,551
Education and advocacy	627,973		627,973
Governmental liason	36,609		36,609
Membership services	407,402		407,402
Manatee merchandise (including cost of merchandise of \$ 44,955)	113,899		113,899
Total program expenses	1,542,434	-	1,542,434
Supporting services:			
Administration	118,054		118,054
Fundraising	114,127		114,127
Total Supporting Services	232,181	-	232,181
Total Expenses	1,774,615	-	1,774,615
Increase in Net Assets	116,972	53,256	170,228

SAVE THE MANATEE CLUB

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED
December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue:			
Memberships	\$ 337,069		337,069
Contributions	743,263	68,946	812,209
Contributions-In Kind	604,908		604,908
Grants	48,125	-	48,125
Merchandise sales	111,038		111,038
Investment income, net	(14,632)		(14,632)
Other income	2,821		2,821
Net assets released from restrictions			
Satisfaction of program expenditure restrictions	28,664	(28,664)	-
Satisfaction of equipment acquisition restriction:	-		-
Total Support and Revenue	1,861,256	40,282	1,901,538
Expenses and Losses:			
Program services:			
Conservation	328,865		328,865
Education and advocacy	792,344		792,344
Governmental liason	33,128		33,128
Membership services	340,805		340,805
Manatee merchandise (including cost of merchandise of \$ 49,949)	117,773		117,773
Total program expenses	1,612,915	-	1,612,915
Supporting services:			
Administration	132,109		132,109
Fundraising	171,157		171,157
Total Supporting Services	303,266	-	303,266
Total Expenses	1,916,181	-	1,916,181
Increase in Net Assets	(54,925)	40,282	(14,643)

SAVE THE MANATEE CLUB

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED
December 31, 2019 and December 31, 2018

	December 31, 2019	December 31, 2018
CASH FLOWS FROM PROGRAM AND OPERATING ACTIVITIES:		
Change in net assets	\$ 170,228	\$ (14,643)
Adjustments to reconcile change in net assets to net cash used by program and operating activities:		
Depreciation	5,760	8,333
Contributed Securities and fixed assets	-	(4,716)
Reinvested Dividends	(42,136)	(52,172)
Realized and Unrealized (gain) or losses	(87,456)	67,532
(Increase) Decrease in:		
Receivables	(209)	(809)
Prepaid expenses	42,578	(2,867)
Inventory	(6,390)	226
Increase (Decrease) in:		
Payables and accrued	(12,643)	107
Net cash (used) provided by operating activities	69,732	991
CASH FLOWS FROM INVESTING ACTIVITIES:		
Transfers (to) from Investments to operating account	(173,000)	(117,500)
Purchase of equipment	-	-
Net cash (used) provided from investing activities	(173,000)	(117,500)
Net increase (decrease) in cash	(103,268)	(116,509)
Cash at beginning of year	360,045	476,554
Cash at the end of the year	\$ 256,777	\$ 360,045

SAVE THE MANATEE CLUB

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED
December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net assets at beginning of year	\$ 1,102,261	\$ 384,243	\$ 1,486,504
Contributions and grants	707,592	104,278	811,870
Other Revenues	1,132,973		1,132,973
Program expenditures	(1,491,411)	(51,022)	(1,542,433)
Administration and Fundraising	(232,181)		(232,181)
Asset purchases to satisfy donor restrictions	-	-	-
Net Change in Net Assets	<u>116,973</u>	<u>53,256</u>	<u>170,229</u>
Net assets at end of year	<u>\$ 1,219,234</u>	<u>\$ 437,499</u>	<u>\$ 1,656,733</u>

SAVE THE MANATEE CLUB

STATEMENT OF FUNCTIONAL EXPENSES

as of
December 31, 2019

	Program Services				Support Services			Total
	Conservation	Advocacy	Education	Governmental	Administrative	Membership	Fund Raising	
Wages and benefits	278,659	18,263	151,368	6,456	66,073	181,088	35,218	737,125
Operating Expenses:								
Direct Program Expenses	43,446	-	-	23,600	-	-	-	67,046
Depreciation	2,639	143	2,111	48	48	722	48	5,760
Insurance	4,666	1,919	3,838	-	1,919	3,838	1,919	18,098
Merchandise and catalog supplies	-	-	-	-	-	45,150	-	45,150
Printing, postage and supplies	4,943	33	52,724	66	3,041	143,218	14,046	218,071
Professional fees and government relation:	4,730	1,277	5,860	1,638	19,868	7,849	1,668	42,891
Rent	14,302	4,353	16,168	-	6,218	19,277	1,866	62,184
Subscription and computer services	13,829	11,447	36,846	3,845	15,731	28,713	11,815	122,225
Other office and overhead	(10,663)	984	9,904	956	(4,870)	51,350	7,452	55,113
Total Operating Expenses	77,892	20,155	127,451	30,153	41,956	300,117	38,814	636,539
Total expenses without InKind	356,551	38,418	278,819	36,609	108,030	481,206	74,032	1,373,664
PSA inkind	-	-	310,737	-	10,024	40,095	40,095	400,951
Total Expenses	356,551	38,418	589,556	36,609	118,054	521,301	114,127	1,774,615

SAVE THE MANATEE CLUB

STATEMENT OF FUNCTIONAL EXPENSES

as of
December 31, 2018

	Program Services				Support Services			Total
	Conservation Unrestricted	Advocacy	Education	Governmental	Administrative	Membership	Fund Raising	
Wages and benefits	258,571	17,978	166,403	6,230	75,624	149,547	34,198	708,550
Operating Expenses:								
Direct Program Expenses	30,169	-	-	-	-	-	-	30,169
Depreciation	3,818	206	3,054	70	70	1,045	70	8,333
Insurance	2,652	1,395	2,790	-	1,395	2,790	1,395	12,417
Merchandise and catalog supplies	-	-	-	-	-	49,949	-	49,949
Printing, postage and supplies	150	22	51,530	22	1,883	113,656	9,856	177,119
Professional fees and government relations	8,189	1,905	9,153	19,380	2,544	8,170	2,530	51,871
Rent	14,160	4,309	16,007	-	6,156	19,085	1,847	61,564
Subscription and computer services	10,423	7,666	25,969	4,436	15,909	27,102	8,554	100,058
Other office and overhead	732	1,509	13,736	2,990	13,289	26,756	52,230	111,243
Total Operating Expenses	70,293	17,013	122,239	26,898	41,246	248,552	76,481	602,723
Total expenses without InKind	328,864	34,991	288,642	33,128	116,870	398,098	110,679	1,311,273
PSA inkind	-	-	468,711	-	15,239	60,479	60,479	604,908
Total Expenses	328,864	34,991	757,353	33,128	132,109	458,577	171,157	1,916,181

Save the Manatee Club, Inc.

Notes to The Financial Statements

December 31, 2019 and December 31, 2018

1. Significant Accounting Policies

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

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

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

Net Assets

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

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

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

Save the Manatee Club, Inc.

Notes to The Financial Statements

December 31, 2019 and December 31, 2018

Significant Accounting Policies (continued)

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

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

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

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

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

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

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

Save the Manatee Club, Inc.

Notes to The Financial Statements

December 31, 2019 and December 31, 2018

Significant Accounting Policies (continued)

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

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

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

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

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

Save the Manatee Club, Inc.

Notes to The Financial Statements

December 31, 2019 and December 31, 2018

Significant Accounting Policies (continued)

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

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

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

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

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

Save the Manatee Club, Inc.

Notes to The Financial Statements

December 31, 2019 and December 31, 2018

Significant Accounting Policies (continued)

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

Money market fund: Carrying value approximates fair value because of liquidity.

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

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

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

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

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

Save the Manatee Club, Inc.

Notes to The Financial Statements

December 31, 2019 and December 31, 2018

Significant Accounting Policies (continued)

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

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

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

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

Income Taxes The Organization is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

Accounting principles generally accepted in the United States of America prescribe requirements for the recognition of income taxes in financial statements, and the amounts recognized are affected by income tax positions taken by the Organization in its tax returns. The Organization's position that it is tax exempt under Section 501(c)(3), and its position that none of its income is unrelated business taxable income, are defined as tax positions under these requirements.

Save the Manatee Club, Inc.

Notes to The Financial Statements

December 31, 2019 and December 31, 2018

Income Taxes (continued) While management believes, it has complied with the Internal Revenue Code, the sustainability of some income tax positions taken by the Organization in its tax returns may be uncertain.

There are minimum thresholds of likelihood that uncertain tax positions are required to meet before being recognized in the financial statements. Management does not believe that the Organization has any material uncertain tax positions at December 31, 2019.

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

The Organization's federal income tax returns are subject to examination by the Internal Revenue Service. At December 31, 2019, income tax returns for the years 2016 through 2018 are subject to examination

Recent accounting pronouncements:

In February 2016, the FASB issued ASU 2016-02, "*Leases (Topic 842)*". The guidance in this ASU supersedes the leasing guidance in Topic 840, "*Leases*". Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021. The Organization is evaluating the impact of adoption of the new standard will have on the Organization's financial statements.

2. Investments

Investment activity for the fiscal year is as follows:

	Tax Cost	Fair Value
Investment assets at December 31, 2018	\$ 1,118,627	\$ 1,077,441
Investment Income (net of fees)	42,136	42,135
Net gains (realized and unrealized)		
Contributions	3,403	87,457
Transfers (to) from operating account	173,000	173,000
Investment assets at December 31, 2019	1,337,166	1,380,033

Save the Manatee Club, Inc.

Notes to The Financial Statements

December 31, 2019 and December 31, 2018

As discussed above, the organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the organization's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of the December 31, 2019. Level 2 is for investments measured using inputs such as quoted prices for similar assets, quoted prices for the identical asset in inactive markets, and for investments measured at net asset value (NAV) that can be redeemed in the near term. Level 3 is for investments measured using inputs that are unobservable and is used in situations for which there is little, if any, market activity for the investment. As of December 31, 2019, all investments were Level 1 and Level 2 investments and listed on active markets.

The following table summarizes the Level 1 and Level 2 investments as of December 31, 2019.

	Level 1	Level 2	Total
Cash in Bank	\$ 176,131		\$ 176,131
Federated Treasury MMK (a)	545,803		545,803
Certificates of Deposits	-0-	204,472	204,472
Stocks	124,035		124,035
Bonds	-0-		-0-
Mutual Funds			
Fixed Inc. Exchange Traded Fds	84,426		84,426
US and Global Equity Funds	219,478		219,478
Bond and Fixed Income Funds	25,688		25,688
Total Investments	\$ 1,175,561	204,472	\$ 1,380,033

(a) Money Market funds include donor restricted endowment funds of \$202,363.

3. Equipment

Vehicle and equipment consist of the following at:

	December 31, 2019	December 31, 2018
Vehicle	\$ 26,995	\$ 26,995
Office Equipment	46,688	46,688
Blue Springs Manatee Cam	49,109	49,109
Equipment under capital lease	10,839	10,839
Total Cost	133,631	133,631
Less accumulated depreciation	123,960	118,200
Equipment, net	\$ 9,671	\$ 15,431

Save the Manatee Club, Inc.

Notes to The Financial Statements

December 31, 2019 and December 31, 2018

4. Net Assets With Restriction

Temporarily restricted net assets consist of the following at December 31, 2019:

	Beginning Balance	Donations,	Expenses and Restriction Releases	Funded by General Funds	Ending Balance
Donor Restricted for Asset Purchases:					
Manatee Cam and other Equipment	67,092	57,409	(5,500)		119,001
Donor Restricted for program expenditures:					
Three Sisters Springs	335				335
Blue Springs State Park	-0-	4,256	(4,256)		-0-
Education & Technology	-0-	3,910	(6,975)	3,065	-0-
Emergency Rescue Fund	54,649	28,090	(11,394)		71,345
Homosassa Springs St Park	1,000		(796)		204
Intern Program	1,840				1,840
International Rescue Fund	-0-	1,533	(5,443)	3,910	-0-
Legal Fund	16,721	4,769	(30,539)	9,049	-0-
Manatee Rescue Partnership	35,000				35,000
Research & Conservation	5,243	4,311	(2,143)		7,411
Total Donor Restricted for Program Expenditures	114,788	46,869	(61,546)	16,024	116,135
Not Subject to Appropriation or Expenditure:					
Endowment Fund	202,363	-0-	-0-		202,363
Total Net Assets with Donor Restrictions	384,243	104,278	(67,046)	16,024	437,499

Save the Manatee Club, Inc.

Notes to The Financial Statements

December 31, 2019 and December 31, 2018

5. Endowment Investments and Investment Policy:

Interpretation of Relevant Law

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

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

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

Return Objectives and Risk Parameters

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

Save the Manatee Club, Inc.

Notes to The Financial Statements

December 31, 2019 and December 31, 2018

Endowment Investments and Investment Policy (continued)

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

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

7. In-Kind Contributions:

In-kind contributions, primarily magazine and radio media advertising, during the year ended December 31, 2019 and 2018 are reflected in the accompanying statement of activities as follows:

	December 31, 2019	December 31, 2018
Contributions	\$ 400,951	\$ 604,908
Expenses:		
Program Services:		
Education and outreach	310,737	468,711
Membership	40,095	60,479
Administration	10,024	15,213
Fundraising	40,095	60,479
	\$ 400,951	\$ 604,908

The Organization has multiple volunteers that provide both administrative support and conservation support. The organization had approximately 2,300 volunteers during the fiscal years 2019 and 2018. The volunteers spent _____ and 2,094 hours related to tabling events and presentations; _____ and 854 hours related to office administration, during calendar years 2019 and 2018, respectively. As stated in Footnote 1, these contributed services do not meet the criteria for recognition in financial statements, however, the estimated average rate for volunteer time in Florida is \$24.93 for calendar year 2019 and \$24.04 for calendar year 2018, which would result in an estimated value of \$_____ and \$70,870 for calendar years 2019 and 2018 respectively.

Save the Manatee Club, Inc.

Notes to The Financial Statements

December 31, 2019 and December 31, 2018

8. Pension Plan

The Organization has a 403(b)-pension plan for the benefit of all eligible employees who are at least 21 years old and have three years of service. The Organization made contributions in the amount of \$32,296 during calendar year 2019 and \$31,337 to the plan during the calendar 2018.

9. Commitment and Contingencies:

The Organization leases office space and office equipment under noncancelable operating leases which expire in 2019. The office space is rented on an annual basis, expiring in February each year.

Future minimum lease payments under the leases at December 31, 2019, are as follows:

Year ending December 31:	
2020	14,063
2021	13,616
2022	11,972
2023	364
2024 and thereafter	-0-
	<u>\$ 40,015</u>

Total rent and lease expense for the year ended December 31, 2019 and 2018 amounted to approximately \$128,000 and \$128,000, respectively.

10. Concentrations:

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

A concentration of credit risk exists at December 31, 2019, with regards to investments since this account is not subject to federal deposit insurance.

Save the Manatee Club, Inc.

Notes to The Financial Statements

December 31, 2019 and December 31, 2018

11. Liquidity and Available Resources

The following schedule reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because restrictions within one year of the balance sheet date. Amounts not available include amounts set aside for long-term investing in endowments, donor restricted funds and amounts restricted by the governing board for certain projects.

Financial assets, at year end:

Cash and cash equivalents	256,777
Investments and endowment accounts	1,380,033
Accounts Receivable	1,781
Total Financial Assets available within one year	1,638,591
Contractual or donor-imposed restrictions:	
Endowment accounts	(202,363)
Restricted by Donor with time or purpose restrictions	(235,136)
Total Financial Assets after Donor restrictions	1,201,092
Board Designated Restriction	-0-
Less Accounts payable and accrued expenses	(79,057)
Net Financial Assets available to meet cash needs for general expenditures within one year	1,122,035

12. Litigation:

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

13. Subsequent Events:

Subsequent to year end, due to the Covid-19 outbreak of the virus, the Organization closed its physical office from March 30, 2020 through October 5, 2020. One manager was going into the office on a regular basis to receive and ship materials to avoid additional delays. Commencing October 6th, the office was partly open allowing hourly staff to come in and work in a socially safe and responsible manner. Most staff remained working at home throughout the pandemic allowing staffing levels to be maintained. Fundraising efforts have been modified out of respect for supporters who may have been negatively impacted by the pandemic. To ensure that staffing levels could be maintained, the Organization obtained a Payroll Protection loan in May of 2020 in the amount of \$141,900, for which it is anticipated that 100% of the amount will be forgiven under the PPP forgiveness plan rules.

Save the Manatee Club, Inc.

Notes to The Financial Statements

December 31, 2019 and December 31, 2018

The Organization has evaluated subsequent events for potential recognition and/or disclosure between the date of the financial statements and December 4, 2020 the date the financial statements were issued or available to be issued. No events or transactions besides those described above occurred during this period which require recognition or disclosure in the financial statements.