

**THE TURTLE SURVIVAL  
ALLIANCE FOUNDATION**

**AUDITED FINANCIAL STATEMENTS**

**Year Ended December 31, 2016**



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## INDEPENDENT AUDITOR'S REPORT

To the Finance Committee  
The Turtle Survival Alliance Foundation  
Fort Worth, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of The Turtle Survival Alliance Foundation (the "Foundation") which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year 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 financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation'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 Foundation'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 Foundation as of December 31, 2016, 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.

### **Report on Summarized Comparative Information**

We have previously audited the Foundation's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 7, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Rylander, Clay + Opetz, LLP*

June 20, 2017



# THE TURTLE SURVIVAL ALLIANCE FOUNDATION

## STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 347,300	\$ 361,773
Contributions receivable, net	998,202	1,206,977
Inventory	6,871	7,700
Investments	10,322,595	26,894
Assets restricted for capital campaign	5,000	128,400
Property and equipment, net	769,037	683,236
Assets restricted for permanent endowment	135,665	134,640
	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 12,584,670</b>	<b>\$ 2,549,620</b>
	<hr/>	<hr/>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 96,692	\$ 125,992
Grants payable	17,729	11,329
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>114,421</b>	<b>137,321</b>
	<hr/>	<hr/>
Net Assets		
Unrestricted	847,060	736,298
Designated	10,290,845	-
	<hr/>	<hr/>
	11,137,905	736,298
	<hr/>	<hr/>
Temporarily restricted	1,196,679	1,541,361
Permanently restricted	135,665	134,640
	<hr/>	<hr/>
<b>Total net assets</b>	<b>12,470,249</b>	<b>2,412,299</b>
	<hr/>	<hr/>
<b>Total liabilities and net assets</b>	<b>\$ 12,584,670</b>	<b>\$ 2,549,620</b>
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See notes to financial statements.



## THE TURTLE SURVIVAL ALLIANCE FOUNDATION

### STATEMENTS OF ACTIVITIES Year Ended December 31, 2016 with Comparative Total for 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2016	2015
Public support and revenue:					
Contributions and grants (in-kind of \$133,730 in 2016 and \$81,508 in 2015)	\$10,949,816	\$ 64,665	\$ 163	\$ 11,014,644	\$2,388,984
Capital contributions (in-kind of \$45,266 in 2016 and \$20,000 in 2015)	45,266	-	-	45,266	95,000
Inventory sales, net	2,310	-	-	2,310	8,559
Tryon book sales	-	-	862	862	2,243
Conference registration fees	34,130	-	-	34,130	47,918
Conference fundraising auction	6,815	-	-	6,815	7,609
Membership dues	27,854	-	-	27,854	26,210
Animal adoption fees	-	-	-	-	2,275
Investment income (loss)	288,743	7,471	-	296,214	(2,352)
Reclassification based on UPMIFA (Note 7)	6,601	(6,601)	-	-	-
Net assets released from restrictions:					
Satisfaction of program restrictions	410,217	(410,217)	-	-	-
<b>Total public support and revenue</b>	<u>11,771,752</u>	<u>(344,682)</u>	<u>1,025</u>	<u>11,428,095</u>	<u>2,576,446</u>
Expenses:					
Program services:					
Animal management	498,550	-	-	498,550	390,904
Field conservation	565,529	-	-	565,529	517,075
Conference	53,415	-	-	53,415	113,990
Total program services	<u>1,117,494</u>	<u>-</u>	<u>-</u>	<u>1,117,494</u>	<u>1,021,969</u>
Supporting services:					
Management and general	162,762	-	-	162,762	124,739
Fundraising	87,169	-	-	87,169	102,583
Total supporting services	<u>249,931</u>	<u>-</u>	<u>-</u>	<u>249,931</u>	<u>227,322</u>
<b>Total expenses</b>	<u>1,367,425</u>	<u>-</u>	<u>-</u>	<u>1,367,425</u>	<u>1,249,291</u>
<b>Change in net assets before expenses for collection items not capitalized</b>	<u>10,404,327</u>	<u>(344,682)</u>	<u>1,025</u>	<u>10,060,670</u>	<u>1,327,155</u>
Collection items purchased but not capitalized	<u>2,720</u>	<u>-</u>	<u>-</u>	<u>2,720</u>	<u>41,000</u>
<b>Change in net assets</b>	<u>10,401,607</u>	<u>(344,682)</u>	<u>1,025</u>	<u>10,057,950</u>	<u>1,286,155</u>
Net assets at beginning of year	<u>736,298</u>	<u>1,541,361</u>	<u>134,640</u>	<u>2,412,299</u>	<u>1,126,144</u>
<b>Net assets at end of year</b>	<u>\$11,137,905</u>	<u>\$1,196,679</u>	<u>\$ 135,665</u>	<u>\$ 12,470,249</u>	<u>\$2,412,299</u>

See notes to financial statements.



# THE TURTLE SURVIVAL ALLIANCE FOUNDATION

## STATEMENTS OF CASH FLOWS

Years Ended December 31, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities		
Change in net assets	\$ 10,057,950	\$ 1,286,155
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	40,516	35,228
Net unrealized and realized (gain) loss on investments	(288,625)	9,294
Bad debt	11,302	-
(Increase) decrease in operating assets:		
Contributions receivable	208,775	(1,111,170)
Inventory	829	(1,566)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(29,300)	(65,541)
Grants payable	6,400	5,761
Contributions restricted for capital projects	(45,266)	(95,000)
Contributions restricted for endowment	(1,025)	(4,559)
Donation of stock	(10,008,184)	-
<b>Net cash provided (used) by operating activities</b>	<u>(46,628)</u>	<u>58,602</u>
Cash Flows from Investing Activities		
(Increase) decrease in cash restricted for capital campaign	75,000	(75,000)
(Increase) decrease in cash restricted for endowment	6,831	(6,831)
Purchase of investments	(21,780)	(69,927)
Proceeds from sale of investments	15,032	85,076
Purchase of property and equipment	(81,051)	(23,652)
<b>Net cash used by investing activities</b>	<u>(5,968)</u>	<u>(90,334)</u>
Cash Flows from Financing Activities		
Proceeds from contributions restricted to endowment	1,025	4,559
Proceeds from contributions restricted for capital projects	37,098	144,213
<b>Net cash provided by financing activities</b>	<u>38,123</u>	<u>148,772</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(14,473)	117,040
Cash and cash equivalents at beginning of year	361,773	244,733
<b>Cash and cash equivalents at end of year</b>	<u>\$ 347,300</u>	<u>\$ 361,773</u>
Noncash investing activities		
Donation of equipmen	<u>\$ 45,266</u>	<u>\$ 20,000</u>
Donation of stock	<u>\$ 10,008,184</u>	<u>\$ -</u>

See notes to financial statements.



## THE TURTLE SURVIVAL ALLIANCE FOUNDATION

### STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2016 with Comparative Total for 2015

	Program Services				Supporting Services			Total Program and Supporting Services	
	Animal Management	Field Conservation	Conference	Total Program Services	Management and General	Fund-raising	Total Supporting Services	2016	2015
Grants	\$ -	\$ 91,988	\$ 1,300	\$ 93,288	\$ -	\$ -	\$ -	\$ 93,288	\$ 117,937
Contractual services (in-kind \$79,738 in 2016 and 2015)	84,123	250,934	8,337	343,394	93,981	79,002	172,983	516,377	524,853
Facilities and equipment (in-kind \$1,033 in 2016 and \$1,770 in 2015)	38,728	109,944	4,436	153,108	437	207	644	153,752	132,018
Depreciation	40,516	-	-	40,516	-	-	-	40,516	35,228
Books and subscriptions	-	100	-	100	232	-	232	332	1,892
Postage and mailings	865	709	321	1,895	4,616	-	4,616	6,511	8,915
Printing and copying	206	4,337	1,392	5,935	1,786	3,305	5,091	11,026	11,762
Supplies (in-kind \$1,840 in 2016)	6,449	5,062	98	11,609	612	-	612	12,221	20,091
Animal care (in-kind \$51,119 in 2016)	60,805	16,017	-	76,822	-	-	-	76,822	20,161
Bank fees	-	-	-	-	6,915	-	6,915	6,915	7,808
Membership services	-	-	-	-	2,079	-	2,079	2,079	3,349
Advertising	-	-	-	-	400	-	400	400	-
Fundraising	-	-	-	-	-	4,655	4,655	4,655	9,151
Insurance	10,000	-	-	10,000	8,930	-	8,930	18,930	16,031
Payroll expense	242,788	7,500	-	250,288	18,974	-	18,974	269,262	152,329
Conferences and meetings	2,620	7,107	28,580	38,307	1,920	-	1,920	40,227	101,506
Travel	9,557	69,271	8,951	87,779	5,405	-	5,405	93,184	81,505
Website	1,893	-	-	1,893	3,381	-	3,381	5,274	3,099
Bad debt	-	-	-	-	11,302	-	11,302	11,302	-
Other	-	2,560	-	2,560	1,792	-	1,792	4,352	1,656
<b>Total expenses</b>	<b>\$ 498,550</b>	<b>\$ 565,529</b>	<b>\$ 53,415</b>	<b>\$ 1,117,494</b>	<b>\$ 162,762</b>	<b>\$ 87,169</b>	<b>\$ 249,931</b>	<b>\$ 1,367,425</b>	<b>\$ 1,249,291</b>

See notes to financial statements.





# THE TURTLE SURVIVAL ALLIANCE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Activities**

The Turtle Survival Alliance Foundation (the “Foundation”) is incorporated under the laws of the State of Texas as a non-profit organization and is located in Fort Worth, Texas. The Foundation’s mission is transforming passion for turtles into effective conservation action through a global network of living collections and recovery programs. The Foundation is supported primarily through contributions, conference fees, and membership dues.

The Foundation provides conservation efforts in various countries throughout the world and collaborates with other organizations to provide these services in Myanmar (through the Wildlife Conservation Society, which is authorized to conduct financial transactions in Burma in accordance with the Office of Foreign Assets Control issued by the Department of the Treasury), Bangladesh, India, Madagascar, Vietnam, China, Cambodia, Belize, Brazil, Colombia, and the Philippines.

#### **Management Estimates and Assumptions**

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that are used.

#### **Cash and Cash Equivalents**

The Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

#### **Contributions Receivable**

Contributions receivable represent gifts for which the Foundation has received notice from the donors of an unconditional promise to give, but remain unpaid at the statement of financial position date. After reviewing individual pledges for collectability, management writes off pledges that are believed to be uncollectible or records an allowance to provide for any uncertainty. Management has determined that no allowance is necessary at December 31, 2016 and 2015.

#### **Inventory**

Inventory consists of merchandise used for retail sales and is stated at cost. Inventory sales are reflected net of cost of goods sold of \$6,720 and \$8,032 in 2016 and 2015, respectively.

#### **Investments**

Investments are reported at their fair values in the statement of financial position. Unrealized and realized gains and losses are included in the statement of activities.

#### **Impairment of Long-Lived Assets**

Management evaluates its long-lived assets for financial impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated undiscounted future cash flows from the assets are less than the carrying value of the assets. Assets to be disposed of are reported at the lower of their carrying amount or fair value, less cost to sell. Management is of the opinion that the carrying amount of its long-lived assets does not exceed their estimated recoverable amount.



# THE TURTLE SURVIVAL ALLIANCE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Property and Equipment**

Property and equipment purchases exceeding \$1,000 are capitalized at cost and depreciated over estimated useful lives using the straight-line method. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

#### **Collections**

The Foundation's collections of turtles are not capitalized and recognized as assets on the statement of financial position. Any expenditures or receipts related to purchases, program service expense, or animal sales revenue are reported separately in the statement of activities in the period in which they occur. The Foundation holds its collections for public exhibition, education, research, and conservation activities, rather than for financial gain. It is impracticable to attempt to assign values to the collection, because the animals have certain attributes, such as species, sex, age, breeding potential, and relationship to others in the ecosystem that make it difficult to determine an objective basis for valuation.

#### **Revenue Recognition**

The Foundation records revenue upon receipt of donations or, in the event of an unconditional promise to give, when the commitment has been made to the Foundation. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until the conditions are substantially met. Membership dues range from \$25 to \$200 and are recorded at the time the member joins. Conference registration fees are recognized when received.

#### **Recognition of Donor Restrictions**

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

#### **Donated Materials and Services**

Donated assets are reflected as contributions in the accompanying financial statements at their estimated value at the date of receipt. The Foundation received equipment with an estimated value of \$45,266 and \$20,000 in 2016 and 2015, respectively.

Donated materials and facilities are reflected in the statement of functional expenses, allocated between program and supporting services, at their estimated values at the date of receipt. The recorded amount of donated materials is \$53,992 and \$1,770 for the years ended December 31, 2016 and 2015, respectively.



# THE TURTLE SURVIVAL ALLIANCE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated services are reflected in the statement of functional expenses, allocated between program and supporting services, at the fair value of the services received if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The recorded amount of donated services is \$79,738 for the years ended December 31, 2016 and 2015. In addition, a substantial number of volunteers have donated significant amounts of their time to the Foundation's program services and its fundraising efforts. No amounts have been reflected in the statements for volunteer services inasmuch as no objective basis is available to measure the value of such services.

#### Functional Allocation of Expenses

The costs of providing programming and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among programming and supporting services.

#### Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation within the meaning of Section 509(a) of the Code.

#### Prior-Year Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2015, from which the summarized information is derived.

#### Subsequent Events

Management evaluated subsequent events through June 20, 2017, which is the date the financial statements were available to be issued.

### NOTE 2. CONTRIBUTIONS RECEIVABLE

Promises to give are scheduled to be paid at various times in the future and, accordingly, have been discounted to the present value of the future cash flows using an effective rate of 1.76%.

Estimated annual collections on contributions receivable at December 31, 2016 follow:

2017	\$ 538,865
2018	237,000
2019	220,000
2020	20,000
	<u>1,015,865</u>
Less: Unamortized Discount	<u>(12,663)</u>
	<u>\$ 1,003,202</u>



# THE TURTLE SURVIVAL ALLIANCE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. FAIR VALUE OF ASSETS AND LIABILITIES

The *Fair Value Measurements and Disclosures Topic* of the Accounting Standards Codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Topic also establishes 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 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.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

#### Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include publicly traded stocks, government and corporate bonds, and money market funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. At December 31, 2016 and 2015, all investments are classified as Level 1 and consist of the following:

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Cash and cash equivalents	\$ 1,762	\$ 1,762	\$ 347	\$ 347
Equity securities	10,303,436	10,014,280	11,085	5,692
Mutual funds	153,062	157,095	143,271	153,543
	<u>\$ 10,458,260</u>	<u>\$ 10,173,137</u>	<u>\$ 154,703</u>	<u>\$ 159,582</u>

Reconciliation to Statement of Financial Position:

	2016	2015
Investments	\$ 10,322,595	\$ 26,894
Assets restricted for permanent endowment	135,665	134,640
Less cash restricted for permanent endowment	-	(6,831)
	<u>\$ 10,458,260</u>	<u>\$ 154,703</u>



# THE TURTLE SURVIVAL ALLIANCE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. FAIR VALUE OF ASSETS AND LIABILITIES (Continued)

#### Other Financial Instruments

The recorded values of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximates fair value due to their short-term nature. The recorded value of contributions receivable approximates fair value as the discount rate approximates market rates.

### NOTE 4. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2016 and 2015 follows:

	2016	2015
Land and improvements	\$ 124,796	\$ 116,780
Buildings	638,754	533,005
Furniture and fixtures	1,630	1,630
Machinery and equipment	85,317	72,765
Animal enclosures	41,066	41,066
	<u>891,563</u>	<u>765,246</u>
Less accumulated depreciation	<u>(122,526)</u>	<u>(82,010)</u>
	<u>\$ 769,037</u>	<u>\$ 683,236</u>

### NOTE 5. UNRESTRICTED DESIGNATED NET ASSETS

During 2016, the Board of Directors established the TSA Stewardship Fund in order to further its charitable purpose and mission. The amount of net assets designated by the Board for this purpose are \$10,290,845 at December 31, 2016. There were no designated net assets at December 31, 2015.

### NOTE 6. ASSETS RESTRICTED FOR CAPITAL CAMPAIGN

The Foundation started a capital campaign in 2012 to construct the Turtle Survival Center and raise funds required to operate the center for five years. Assets restricted to the campaign consist of the following:

	2016	2015
Cash	\$ -	\$ 75,000
Contributions receivable	5,000	53,400
	<u>\$ 5,000</u>	<u>\$ 128,400</u>

Contributors to the campaign have made unconditional promises to give of \$5,000 at December 31, 2016. Management has determined that no allowance for uncollectible contributions is necessary. Collection of the receivable is expected through 2018 as follows:

Due in 2017	\$ 3,000
Due in 2018	2,000
	<u>\$ 5,000</u>



# THE TURTLE SURVIVAL ALLIANCE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. ASSETS RESTRICTED FOR PERMANENT ENDOWMENT

During 2011, the Foundation received a bequest of the Bern Tryon Library. The bequest contains various herpetological books and papers which the Foundation is selling. All proceeds are permanently restricted by the donor and the earnings are available to be used for the preservation of the bog turtle. The donated books and papers have questionable or uncertain value and no alternative use adds value to the Foundation. Therefore, the donated books are being recognized in the financial statements as they are sold.

#### Composition and Activity of Endowment Funds

Long-term investment composition by type of funds for the years ended December 31, 2016 and 2015:

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted	\$ -	\$ 870	\$ 135,665	\$ 136,535

  

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted	\$ (6,601)	\$ -	\$ 134,640	\$ 128,039

The changes in the endowment net assets for the years ended December 31, 2016 and 2015 follow:

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at beginning of period	\$ (6,601)	\$ -	\$ 134,640	\$ 128,039
Contributions	-	-	1,025	1,025
Interest and dividends	-	4,481	-	4,481
Realized and unrealized gains	-	4,803	-	4,803
Fees	-	(1,813)	-	(1,813)
Reclassification based on UPMIFA	6,601	(6,601)	-	-
Balance at end of period	\$ -	\$ 870	\$ 135,665	\$ 136,535



# THE TURTLE SURVIVAL ALLIANCE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. ASSETS RESTRICTED FOR PERMANENT ENDOWMENT (Continued)

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Balance at beginning of period	\$ -	\$ 1,819	\$ 155,081	\$ 156,900
Contributions	-	-	4,559	4,559
Interest and dividends	-	5,296	-	5,296
Realized and unrealized losses	-	(7,135)	-	(7,135)
Fees	-	(2,081)	-	(2,081)
Appropriation for expenditures	-	(4,500)	-	(4,500)
Release of donor restriction	-	-	(25,000)	(25,000)
Reclassification based on UPMIFA	(6,601)	6,601	-	-
Balance at end of period	<u>\$ (6,601)</u>	<u>\$ -</u>	<u>\$ 134,640</u>	<u>\$ 128,039</u>

#### Interpretation of Relevant Law

The Foundation's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) of the State of Texas as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary.

Therefore, the Foundation will classify as permanently restricted net assets:

- The original value of gifts donated to the permanent endowment,
- The original value of subsequent gifts to the permanent endowment, and
- 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.

#### Release of donor restriction

During 2015, the Foundation received approval from a donor to release \$25,000 of assets for operating purposes that had previously been permanently restricted by the donor.

#### 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 or UPMIFA requires the Foundation to retain as funds of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are required to be reported in unrestricted net assets. At December 31, 2015, the fair value of the funds had fallen below the original contribution amount by \$6,601. This deficiency resulted from unfavorable market conditions and continued appropriations for operations that were deemed prudent by the Board of Directors. There were no such deficiencies at December 31, 2016.



# THE TURTLE SURVIVAL ALLIANCE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7. ASSETS RESTRICTED FOR PERMANENT ENDOWMENT (Continued)

#### Return Objectives and Risk Parameters

The Endowment's overall return objective is to earn an acceptable rate of earnings while maintaining security of the principal. Since the Endowment has a long-term investment horizon it is in a position to include equities in the asset mix to provide for long-term capital appreciation and hedge against inflation. The benchmark allocation to equities is set at 55%. Fixed income investments are restricted to those with relatively high credit ratings.

#### Strategies Employed for Achieving Objectives

The Endowment fund maintains a diversified investment portfolio to mitigate market risk. The Foundation's Board of Directors determines the investment policies and objectives and evaluates performance.

#### Spending Policy and How the Investment Objectives Relate to Spending Policy

Earnings of the Endowment are available to be used for the preservation of the bog turtle.

### NOTE 8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets relate to contributions restricted by the donor for a specific purpose, and are classified as follows:

	2016	2015
Programs	\$ 428,912	\$ 586,747
Unappropriated endowment earnings	870	-
Capital campaign	5,000	128,400
Time restriction	761,897	826,214
	<u>\$ 1,196,679</u>	<u>\$ 1,541,361</u>

### NOTE 9. CONCENTRATIONS

The Foundation receives a substantial amount of its support from private foundations and individual donors. During 2016, the Foundation received a donation valued at approximately \$10,000,000 from one donor representing approximately 88% of the Foundation's total revenue.

In 2015, the Foundation received approximately \$1,460,000 in donations from three donors representing approximately 57% of the Foundation's total revenue.

At December 31, 2016, substantially all of the Foundation's investments consisted of the shares of stock in a single company. The value of the investment represented approximately 82% of the Foundation's total assets.

