The Turtle Survival Alliance Foundation

Report on Financial Statements
Years Ended December 31, 2017 and 2016

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The Turtle Survival Alliance Foundation
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Independent Auditors' Report

To the Board of Directors
The Turtle Survival Alliance Foundation
Charleston, South Carolina

We have audited the accompanying financial statements of The Turtle Survival Alliance Foundation, which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, 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.

Auditors' 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 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 Turtle Survival Alliance Foundation as of December 31, 2017, 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.

Other Matter

The financial statements of The Turtle Survival Alliance Foundation for the year ended December 31, 2016, were audited by another auditor who expressed an unmodified opinion on those statements on June 20, 2017.

McCay Kiddy LLC

Mount Pleasant, South Carolina
November 30, 2018

The Turtle Survival Alliance Foundation
Statements of Financial Position
December 31, 2017 and 2016

	2017	2016
Assets		
Current Assets		
Cash and cash equivalents	$ 1,903,117	$ 349,062
Current portion of pledges receivable	149,000	418,865
Current portion of related party pledges receivable	123,000	120,000
Inventory	17,484	6,871
Investments	11,054,184	10,320,833
Total Current Assets	13,246,785	11,215,631
Non-current Assets		
Pledges receivable, net of current portion	109,064	211,239
Related party pledges receivable, net of current portion	128,984	253,098
Deposits	2,000	-
Property and equipment, net	850,558	769,037
Assets restricted for permanent endowment	135,749	135,665
Total Non-Current Assets	1,226,355	1,369,039
Total Assets	$ 14,473,140	$ 12,584,670
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 171,383	$ 96,692
Accrued expenses	18,511	17,729
Current portion of long-term debt	3,897	-
Total Current Liabilities	193,791	114,421
Long-term debt, net of current portion	43,586	-
Total Liabilites	237,377	114,421
Net Assets		
Unrestricted	1,106,715	847,060
Designated	11,971,187	10,290,845
	13,077,902	11,137,905
Temporarily restricted net assets	1,022,112	1,196,679
Permanently restricted net assets	135,749	135,665
Total Net Assets	14,235,763	12,470,249
Total Liabilities and Net Assets	$ 14,473,140	$ 12,584,670

The Turtle Survival Alliance Foundation
Statements of Activities
Years Ended December 31, 2017 and 2016

	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support								
Contributions and grants	$ 273,590	$ 615,741	$ -	$ 889,331	$10,816,086	$ 64,665	$ 163	$10,880,914
In-kind contributions	101,688	-	-	101,688	178,996	-	-	178,996
Inventory sales, net	15,654	-	-	15,654	3,227	-	-	3,227
Tryon book sales	-	-	84	84	-	-	862	862
Conference registration fees	71,463	-	-	71,463	34,130	-	-	34,130
Conference fundraising auction	13,141	-	-	13,141	6,815	-	-	6,815
Membership dues	37,321	-	-	37,321	27,854	-	-	27,854
Investment income	1,986,106	15,509	-	2,001,615	287,484	7,471	-	294,955
Dividends and interest	161,610	-	-	161,610	342	-	-	342
Reclassification based on SPMIFA	-	-	-	-	6,601	(6,601)	-	-
Net assets released from restrictions	805,817	(805,817)	-	-	410,217	(410,217)	-	-
Total Revenue and Support	$ 3,466,390	$ (174,567)	$ 84	$ 3,291,907	$11,771,752	$ (344,682)	$ 1,025	$11,428,095

The Turtle Survival Alliance Foundation
Statements of Activities
Years Ended December 31, 2017 and 2016

	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Expenses								
Program services								
Animal management	$ 477,348	$ -	$ -	$ 477,348	$ 498,550	$ -	$ -	$ 498,550
Field conservation	586,258	-	-	586,258	568,249	-	-	568,249
Conference	68,780	-	-	68,780	53,415	-	-	53,415
Total Program Services	1,132,386	-	-	1,132,386	1,120,214	-	-	1,120,214
Supporting services								
Management and general	308,661	-	-	308,661	162,762	-	-	162,762
Fundraising	85,346	-	-	85,346	87,169	-	-	87,169
Total Supporting Services	394,007	-	-	394,007	249,931	-	-	249,931
Total Expenses	1,526,393	-	-	1,526,393	1,370,145	-	-	1,370,145
Change in Net Assets	1,939,997	(174,567)	84	1,765,514	10,401,607	(344,682)	1,025	10,057,950
Net Assets at Beginning of Year	11,137,905	1,196,679	135,665	12,470,249	736,298	1,541,361	134,640	2,412,299
Net Assets at End of Year	$13,077,902	$ 1,022,112	$ 135,749	$14,235,763	$11,137,905	$ 1,196,679	$ 135,665	$12,470,249

The Turtle Survival Alliance Foundation
Statements of Cash Flows
Years Ended December 31, 2017 and 2016

Cash Flows From Operating Activities	2017	2016
Change in net assets	$ 1,765,430	$ 10,057,950
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	46,450	40,516
Investment income	(2,163,225)	(288,625)
Bad debt	-	11,302
Changes in:		
Pledges receivable	372,040	87,661
Related party pledges receivable	121,114	121,114
Inventory	(10,613)	829
Deposits	(2,000)	-
Accounts payable	74,691	(29,300)
Accrued expenses	782	6,400
Contributions restrictied for capital projects	-	(45,266)
Contributions restricted for endowment	(84)	(1,025)
Donation of stock	-	(10,008,184)
Net cash provided by (used in) operating activities	204,585	(46,628)
Cash Flows From Investing Activities		
Decrease in cash resticted for capital campaign	-	75,000
Decrease in cash restricted for endowment	-	6,831
Purchase of investments	(8,467,182)	(20,016)
Proceeds from sale of investments	9,897,056	15,032
Purchases of property and equipment	(127,971)	(81,051)
Net cash provided by (used in) investing activities	1,301,903	(4,204)
Cash Flows From Financing Activities		
Proceeds from long-term debt	50,000	-
Payments on long-term debt	(2,517)	-
Proceeds from contributions restricted to endowment	84	1,025
Proceeds from contributions restricted for capital projects	-	37,098
Net cash provided by financing activities	47,567	38,123
Net increase (decrease) in cash and cash equivalents	1,554,055	(12,709)
Cash and cash equivalents at beginning of year	349,062	361,771
Cash and cash equivalents at end of year	$ 1,903,117	$ 349,062
Supplemental Disclosure:		
Donation of equipment	$ -	$ 45,266
Donation of stock	$ -	$ 10,008,184
Cash paid for interest	$ 3,323	$ -

Note A – Nature of Operations 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 Treasury), Bangladesh, India, Madagascar, Vietnam, China, Cambodia, Belize, Brazil, Colombia, and the Philippines.

Basis of Accounting
The Foundation's financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles of the United States of America, and accordingly reflect all significant receivables, payables, and other liabilities. Under this basis, revenue is recognized when earned and expenditures are recognized when incurred.

Basis of Presentation
The Foundation's financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) of the United States of America in its Accounting Standards Codification (ASC) 958 – 205, *Not for Profit Entities – Presentation of Financial Statements*. These standards require classification of net assets and changes in net assets as unrestricted, temporarily restricted, and permanently restricted as follows:

> Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
>
> Temporarily restricted net assets - Net assets subject to explicit or implicit donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.
>
> Permanently restricted net assets - Net assets subject to donor-imposed stipulations that the assets be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

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 (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Use of Estimates and Assumptions
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents
All unrestricted, highly liquid investments purchased with an original maturity of three months or less are considered to be cash equivalents for financial statement purposes.

Pledges Receivable
Unconditional pledges are recognized as receivables and revenue or gains in the period the pledge is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional pledges are recognized only when the conditions on which they depend are substantially met, and the promises become unconditional. Unconditional pledges due in subsequent years are reported at present value of their net realizable value, using risk free interest rates applicable to the years I which the promises are to be received.

The Foundation uses the allowance method to determine uncollectible pledges when deemed necessary. The allowance is based on prior years' experience and management's analysis of specific accounts. Bad debts are charged to expense in the year they are considered uncollectible. Recoveries are credited to revenue in the year collected.

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 $4,506 and $6,720 for the years ended December 31, 2017 and 2016, respectively.

Endowment Funds
The Board of Directors of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) original gifts donated to the permanent endowment, (b) 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. The remaining portion of donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

Investments
The Foundation's investments are reported at fair value. Fair value is 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. Unrealized gains and losses and interest and dividends are included in the investment income reported on the Statement of Activities.

Fair Value Measurements
Financial Accounting Standards Board (FASB) ASC Topic 820, Fair Value Measurements and Disclosures (ASC 820) and defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. ASC 820 was effective for the Foundation's financial assets and liabilities for the years ended December 31, 2017 and 2016.

Property and Equipment
Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Generally, items costing $1,000 or more are capitalized; lesser amounts for property and equipment are expensed. Depreciation is computed using the straight-line methods based on the items' estimated useful lives ranging from 3 to 39 years. Management periodically determines if any property and equipment is impaired and removes fully-depreciated assets from the accounts.

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.

Support restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the same 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 and reported in the Statement of Activities as net assets released from restrictions.

Donated Materials and Services
Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation. The Foundation received equipment with an estimated value of $0 and $45,266 in 2017 and 2016, respectively.

Donated materials and facilities are reflected in the Statement of Activities, allocated between program and supporting services, at their estimated values at the date of receipt. The recorded amount of donated materials is $43,117 and $53,992 for the years ended December 31, 2017 and 2016, respectively.

Donated services are reflected in the Statement of Activities, allocated between program and supporting services, at the fair value of the services received if the services received (a) create of 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 $58,571 and $79,738 for the years ended December 31, 2017 and 2016. 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 the volunteer services in as much as no objective basis is available to measure the value of such services.

Functional Allocation of Expenses
Expenses are primarily charged to program services, management and general, and fundraising expenses based on direct expenses incurred. Expenses not directly chargeable are allocated to the categories of program services, management and general, and fundraising based upon management's estimates. Management reviews and adjusts its methodology for these estimates periodically.

Advertising Expenses
The Foundation expenses advertising cost as they incurred. Advertising expenses totaled $2,650 and $400 for the years ended December 31, 2017 and 2016, respectively.

Income Tax Status
The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and exempt from federal and state income taxes unless income generated from unrelated business activities. There is no unrelated business income for the years ended December 31, 2017and 2016. The Foundation qualifies under Section 170(b)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The FASB provides guidance on the Foundation's evaluation of accounting for uncertainty in income taxes. Management evaluated the Foundation's position and concluded that the Foundation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provision of this guidance.

Reclassifications
Certain prior period amounts have been reclassified to conform to the current period presentation.

Recent Accounting Pronouncements
In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-19, Revenue from Contracts with Customers, which will replace numerous requirements in U.S. GAAP, including industry-specific requirements. This guidance provides a five step model to be applied to all contracts with customers, with an underlying principle that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. ASU 2014-19 requires extensive quantitative and qualitative disclosures covering the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including disclosures on significant judgments made when applying the guidance. This guidance is effective for annual reporting periods beginning after December 15, 2018 for nonpublic organizations.

In February 2016, the FASB issued ASU 2016-02, Leases. ASU 2016-02 requires that lease arrangements longer than 12 months result in an entity recognizing an asset and a liability. The updated guidance is effective for interim and annual periods beginning after December 15, 2018, and early adoption is permitted. The standard requires use of the modified retrospective transition approach. While the Organization is currently evaluating this standard, given the significant amount of leases the Organization is party to, the Organization expects this standard will have a significant impact on the Organization's financial statements from the recognition of right of use assets and related liabilities. This guidance is effective for the Organization for fiscal years beginning after December 15, 2019.

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, related to disclosures and presentation of financial statements for not-for-profit entities. The guidance changes how not-for-profit entities present their net assets on the face of the financial statements, as well as requires additional disclosures for expenses by nature and function and for the liquidity and availability of resources. This guidance is effective for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. The Organization is currently evaluating the impact of the adoption of this guidance on the Organization's financial statements.

Note B – Concentrations of Risk

The Foundation maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and management believes the Foundation is not exposed to any significant credit risk on cash and cash equivalents.

During the year ended December 31, 2016, the Foundation received a donation value at approximately $10,000,000 from one donor representing approximately 88% of the Foundation's total revenue. During 2017, there were no such concentrations.

As of December 31, 2017 and 2016, the Foundation's investments were 51% and 100% invested in two and one investments, respectively.

Note C – Pledges Receivable

Pledges receivable are unconditional promises to pay a certain amount and consist of the following at December 31, 2017:

	Unrelated Party	Related Party
2018	$ 149,000	$ 123,000
2019	110,000	120,000
2020	10,000	20,000
	269,000	263,000
Less: unamortized discount	(11,112)	(11,016)
	$ 257,888	$ 251,984

Management evaluates the collectability of receivables and records an allowance for estimated uncollectible amounts. Management has determined that no allowance is necessary at December 31, 2017 and 2016.

Note D – Fair Value of Financial Assets and Liabilities

The Foundation has adopted the provisions of the FASB's ASC 820, *Fair Value Measurements and Disclosures* (ASC 820) for its financial assets and liabilities and is required to provide additional disclosures. ASC 820 clarifies that fair value is an exit price, representing 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 Foundation utilizes market data or assumptions that market participants would use in pricing the asset or liability. ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

Equity securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Foundation at December 31, 2017 and 2016.

The Foundation does not have any financial assets or liabilities measured at fair value on a recurring basis categorized as Level 3, and there were no transfers in or out of Level 3 during the years ended December 31, 2017 and 2016.

The following tables sets forth by level within ASC 820's fair value hierarchy, the Foundation's financial assets and liabilities accounted for at fair value on a recurring basis as of December 31, 2017 and 2016. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

	Fair Value Measurements at December 31, 2017		
Asset Class	Level 1	Level 2	Level 3
Equity securities	$ 6,818,113	$ -	$ -
Mutual funds:			
Traditional	166,367	-	-
Fixed income	4,205,453	-	-
	$ 11,189,933	$ -	$ -

	Fair Value Measurements at December 31, 2016		
Asset Class	Level 1	Level 2	Level 3
Equity securities	$ 10,303,436	$ -	$ -
Mutual funds:			
Traditional	153,062	-	-
	$ 10,456,498	$ -	$ -

The Foundation has $1,903,117 and $349,062 respectively, of cash including cash held in brokerage accounts, as of December 31, 2017 and 2016, which are not classified as a Level as prescribed within ASC 820.

The determination of the fair value above incorporates various factors required under ASC 820. These factors include not only the credit standing of the counterparties involved and the impact of credit enhancements, but also the impact of the Foundation's nonperformance risk on its liabilities.

Note E – Property and Equipment

A summary of property and equipment as of December 31, 2017 and 2016 are summarized below:

	2017	2016
Land and improvements	$ 124,796	$ 124,796
Buildings	746,774	638,754
Furniture and fixtures	2,630	1,630
Machinery and equipment	95,268	85,317
Animal enclosures	50,066	41,066
Less: accumulated depreciation	(168,976)	(122,526)
	$ 850,558	$ 769,037

Depreciation expense for the years ended December 31, 2017 and 2016, was $46,450 and $40,516, respectively.

Note F – Long-term Debt

In April 2017, the Foundation entered into a secured note payable with Heritage Trust Federal Credit Union for the purchase of a building. The original note is for $50,000 with monthly payments of $557, including interest at a fixed rate of 6.10%. The note matures in April 2027. The balance of the note as of December 31, 2017 is $47,483. Interest expense charged is $3,323 for the year ended December 31, 2017.

The principal payments for the next five years are as follows:

Year Ending December 31:	
2018	$ 3,897
2019	4,141
2020	4,394
2021	4,677
2022	4,970
Thereafter	25,404
	$ 47,483

Note G – Unrestricted 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 the net assets designated by the Board for this purpose was $11,971,187 and $10,290,845 at December 31, 2017 and 2016, respectively. For the years ended December 31, 2017 and 2016, respectively, additional net assets designated by the Board were $0 and $10,290,845, investment income was $2,126,900 and $0, and board approved withdrawals were $446,558 and $0, respectively.

Note H – Temporarily Restricted Net Assets

The Foundation has recognized revenue related to contributions that are restricted as to purpose or the expiration of time. The following is a detail of the nature of the restrictions on temporarily new assets as of December 31, 2017 and 2016:

	2017	2016
Programs	$ 577,917	$ 428,912
Unappropriated endowment earnings	11,379	870
Capital campaign	5,000	5,000
Time restriction	427,816	761,897
	$ 1,022,112	$ 1,196,679

Note I – Permanently Restricted Net Assets

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.

Endowment net assets consisted of the following at December 31, 2017 and 2016:

	2017			
	Unrestricted	Temporaily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds				
with purpose restrictions	$ -	$ 11,379	$ 135,749	$ 147,128
Total funds	$ -	$ 11,379	$ 135,749	$ 147,128
Changes in endowment net assets:				
Endowment net assets, beginning of year	$ -	$ 870	$ 135,665	$ 136,535
Contributions	-	-	84	84
Distributions	-	(5,000)	-	(5,000)
Investment return:				
Investment income, net	-	2,581	-	2,581
Net gain (loss) (realized and unrealized)	-	12,928	-	12,928
Total investment return	-	15,509	-	15,509
Endowment net assets, end of year	$ -	$ 11,379	$ 135,749	$ 147,128

	2016			
	Unrestricted	Temporaily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds				
with purpose restrictions	$ -	$ 870	$ 135,665	$ 136,535
Total funds	$ -	$ 870	$ 135,665	$ 136,535
Changes in endowment net assets:				
Endowment net assets, beginning of year	$ (6,601)	$ -	$ 134,640	$ 128,039
Contributions	-	-	1,025	1,025
Reclassification based on SPMIFA	6,601	(6,601)	-	-
Investment return:				
Investment income, net	-	4,481	-	4,481
Net gain (loss) (realized and unrealized)	-	2,990	-	2,990
Total investment return	-	7,471	-	7,471
Endowment net assets, end of year	$ -	$ 870	$ 135,665	$ 136,535

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 SPMIFA 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. As of January 1, 2016, 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, 2017 and 2016.

Note J – Operating Lease

The Foundation has entered into an operating lease agreement for their Charleston office location. This is a three year agreement effective September 2017 through August 2020 with Nelle Properties, LLC. The base rental amount is $1,650 per month.

Future minimum lease payments under the operating lease in excess of one year as of December 31, 2017 is as follows:

Year Ending December 31:		
2018	$	19,800
2019		19,800
2020		13,200
	$	52,800

Note K – Related Party Transactions

The Foundation's board members contributed a total of $46,750 and $25,357 for the years ended December 31, 2017 and 2016, respectively.

Certain members of the Foundation's Board of Directors are employees of affiliates such as Wildlife Conservation Society (WCS), which are direct donors to the Foundation and also party to a number of joint venture agreements relating to field projects undertaken by the Foundation and the affiliates. The Foundation disburses funds to affiliates in relation to its project obligations from funds received under grants which support the specific projects. The Foundation received $281,827 and $168,000 of donations from affiliates during the years ended December 31, 2017 and 2016, respectively.

Note L – Subsequent Events

Management has evaluated subsequent events through the date which the financial statements were available to be issued. Based upon this evaluation, there were no material adjustments to these financial statements.