

OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.

FINANCIAL STATEMENTS

Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ocean Research & Conservation Association, Inc.
Vero Beach, Florida

Opinion

We have audited the accompanying financial statements of Ocean Research & Conservation Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ocean Research & Conservation Association, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ocean Research & Conservation Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ocean Research & Conservation Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ocean Research & Conservation Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ocean Research & Conservation Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

D. Bartolomeo, M. Bee, Hartley & Barnes

Certified Public Accountants

Fort Pierce, FL

March 24, 2024

OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
Year Ended June 30, 2023

ASSETS

	Without Donor Restriction	With Donor Restriction	Total
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 1,482,672	\$ 359,401	\$ 1,842,073
Investments	92,555	-	92,555
Accounts Receivable	164,649	-	164,649
Inventory	18,117	-	18,117
Prepaid Expenses	13,390	-	13,390
TOTAL CURRENT ASSETS	1,771,383	359,401	2,130,784
PROPERTY AND EQUIPMENT			
Furniture, Fixtures & Equipment	1,626,320	-	1,626,320
Monitoring Equipment	611,008	-	611,008
Building & Land	892,343	-	892,343
Leasehold Improvements	1,983	-	1,983
	3,131,654	-	3,131,654
Less Accumulated Depreciation	1,749,691	-	1,749,691
	1,381,963	-	1,381,963
NET PROPERTY AND EQUIPMENT	1,381,963	-	1,381,963
	\$ 3,153,346	\$ 359,401	\$ 3,512,747

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES			
Accounts Payable	\$ 17,503	\$ -	\$ 17,503
Payroll & Related Liabilities	541,259	-	541,259
Deferred Grant Revenue	-	30,000	30,000
Accrued Expenses	6,440	-	6,440
TOTAL CURRENT LIABILITIES	565,202	30,000	595,202
NET ASSETS			
Without Donor Restrictions	2,588,144	329,401	2,917,545
TOTAL NET ASSETS	2,588,144	329,401	2,917,545
	\$ 3,153,346	\$ 359,401	\$ 3,512,747

OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

	Without Donor Restriction	With Donor Restriction	Total
	<u> </u>	<u> </u>	<u> </u>
PUBLIC SUPPORT AND REVENUE			
Grants & Contracts			
State	\$ -	\$ 1,038,257	\$ 1,038,257
Contacts and Grants	-	642,480	642,480
Restricted donations	-	53,500	53,500
Contributions			
Individuals & Corporation	215,702	-	215,702
Capital Campaign	-	1,223,912	1,223,912
Foundations	277,840	-	277,840
InKind Donations	74,830	-	74,830
Interest Income	6,006	-	6,006
Other Income	11,849	-	11,849
Special Events	86,914	-	86,914
Unrealized Gain	21,790	-	21,790
Sales of Merchandise (net of cost of sales \$75)	998	-	998
Net Assets Released from Restrictions	2,628,748	(2,628,748)	-
TOTAL PUBLIC SUPPORT AND REVENUE	<u>3,324,677</u>	<u>329,401</u>	<u>3,654,078</u>
EXPENSES			
Program Services			
Kilroy	909,106	-	909,106
Ecotoxicity	32,068	-	32,068
Center for Citizen Science	580,353	-	580,353
One Health	17,373	-	17,373
Research & Development	205,739	-	205,739
Supporting Services			
Administrative	290,281	-	290,281
Fundraising	266,647	-	266,647
TOTAL EXPENSES	<u>2,301,566</u>	<u>-</u>	<u>2,301,566</u>
CHANGE IN NET ASSETS	1,023,111	329,401	1,352,512
NET ASSETS			
Beginning of Year	<u>1,565,033</u>	<u>-</u>	<u>1,565,033</u>
End of Year	<u>\$ 2,588,144</u>	<u>\$ 329,401</u>	<u>\$ 2,917,545</u>

OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	CENTER FOR CITIZEN SCIENCE			PROGRAM				SUPPORTING SERVICES			TOTAL EXPENSES		
	EDUCATION	CITIZEN SCIENCE	TOTAL	ECOTOXICITY	ONE HEALTH	KILROY	RESEARCH & DEVELOPMENT	TOTAL	ADMINISTRATIVE	FUNDRAISING		TOTAL	
Advertising & Publications	\$ 2,920	\$ -	\$ 2,920	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,114	\$ 88,114	91,034
Bank Charges/Interest	-	30	30	-	-	-	15	15	473	110	583	-	628
Boat Fuel	36	1,761	1,797	-	-	4,949	290	5,239	-	-	-	-	7,036
Capital Building Improvements	-	-	-	-	-	-	-	-	1,468	700	-	-	-
Data Management	290	-	290	-	-	16,485	-	16,485	-	-	-	-	16,775
Dues & Subscriptions	-	500	500	-	-	-	-	-	621	4,949	5,570	-	6,070
Equipment Rent	-	361	361	-	-	-	-	-	-	-	-	-	361
Fringe Benefits	26,037	29,762	55,799	2,545	712	100,164	21,148	124,569	44,103	22,350	66,453	-	246,822
Insurance	1,688	4,176	5,864	765	627	5,951	928	8,271	9,728	1,559	11,287	-	25,421
Inkind	-	63,960	63,960	-	-	-	-	-	1,550	9,320	10,870	-	74,830
Laboratory Testing	-	23,941	23,941	-	-	28,604	55,159	83,763	-	-	-	-	107,704
Licenses & Fees	25	439	464	-	50	74	-	124	370	308	678	-	1,265
Materials & Supplies	15,315	63,289	78,605	518	-	161,603	23,568	185,689	-	-	-	-	264,294
Meetings & Conferences	1,960	1,684	3,644	-	-	6,930	104	7,034	6,293	2,887	9,180	-	19,858
Miscellaneous	116	120	236	-	-	-	-	-	-	-	-	-	236
Office Supplies	42	1,058	1,099	-	-	444	-	444	1,908	1,087	2,995	-	4,538
Office Software & Equipment	-	187	187	380	-	-	-	380	3,096	1,332	4,428	-	4,995
Payroll Taxes	8,636	11,531	20,167	1,166	493	26,640	6,749	35,049	12,460	6,773	19,233	-	74,448
Postage & Shipping	15	1,522	1,537	565	-	9,618	278	10,461	850	433	1,283	-	13,282
Printing & Reproduction	-	3,319	3,319	-	-	249	-	249	2,689	6,226	8,915	-	12,482
Professional Services	1,795	4,979	6,775	639	483	7,878	1,709	10,709	16,733	3,377	20,110	-	37,593
Property Tax	-	-	-	-	-	-	-	-	2,636	-	2,636	-	2,636
Repairs & Maintenance	-	8,110	8,110	-	-	25,870	-	25,870	-	-	-	-	33,980
Rent	-	-	-	-	-	19,350	-	19,350	9,733	-	9,733	-	29,083
Software & Equipment	-	85	85	-	-	742	-	742	-	-	-	-	827
Special Events	-	-	-	-	-	-	-	-	-	37,252	37,252	-	37,252
Subcontract	598	13,154	13,752	174	1,150	79,227	-	80,551	18,000	-	18,000	-	112,303
Telephone	295	590	885	102	-	1,726	51	1,879	3,388	1,100	4,488	-	7,251
Utilities	251	464	715	97	23	704	60	884	5,530	352	5,882	-	7,480
Wages	76,941	127,662	204,603	14,210	5,110	305,015	84,773	409,108	148,655	78,418	227,072	-	840,783
SUBTOTAL	136,961	362,684	499,645	21,161	8,647	802,223	194,832	1,026,863	290,281	266,647	556,929	-	2,083,437
Depreciation Expense	26,175	54,532	80,708	10,906	8,725	106,883	10,906	137,421	-	-	-	-	218,129
TOTAL	\$ 163,137	\$ 417,216	\$ 580,353	\$ 32,068	\$ 17,373	\$ 909,106	\$ 205,739	\$ 1,164,285	\$ 290,281	\$ 266,647	\$ 556,929	\$ -	\$ 2,301,566

OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.

STATEMENT OF CASH FLOW

Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 1,352,512
Adjustments to Reconcile Net Cash Provided by Operating Activities	
Depreciation	218,129
Changes in Operating Assets & Liabilities:	
Grants Receivable	268,171
Prepaid Expenses	46,846
Inventory	75
Accounts Payable & Accrued Expenses	(94,752)
Deferred Revenue	(906,250)
Payroll & Related Liabilities	15,945
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>900,676</u>

CASH FLOWS FROM INVESTING ACTIVITIES

InKind Donations -Investment	(66,494)
Acquisition of Capital Assets	<u>(1,179,455)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,245,949)</u>

NET DECREASE IN CASH (345,273)

CASH

Beginning of Year	<u>2,187,346</u>
End of Year	<u>\$ 1,842,073</u>

OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Ocean Research & Conservation Association, Inc. (Association) is an IRS 501(c)(3) nonprofit corporation located in Fort Pierce, Florida. The Association was established on March 23, 2004, to protect and restore marine ecosystems and the species they sustain through the development of innovative technologies and science based conservation action and public education.

Basis of Accounting

The Association uses the accrual basis of accounting, in accordance with generally accepted accounting principles, which recognizes revenue when earned and expenses as incurred.

Cash and Cash Equivalents

For the purposes of preparing cash flows, the Association considers checking accounts, petty cash, money markets and certificates of deposits with terms less than twelve months to be cash equivalents.

Inventory

Inventories are stated at the lower of cost, determined by average cost, or market.

Support and Revenue

The Association receives its revenue from grants, donations and foundations. Support received is recognized as services are rendered. Contributions are recognized when the donor makes a promise to the Association that is, in substance, unconditional. The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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.

Gifts of fixed assets are recorded as unrestricted support unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when donated or acquired long-lived assets are placed in service.

OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Association is a nonprofit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, therefore, no provision for income tax is made in these financial statements. The Association is not classified as a private foundation. The Organization's Return of Organization Exempt from Income Tax (Form 990) is subject to a possible audit by the IRS for three years after they were filed.

Property, Equipment and Depreciation

The Association records acquisitions of items with a cost of \$1,000 or more as fixed assets as of June 30, 2023. Property and equipment are recorded at cost or fair market value on date of gift in the case of donated property. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Association reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is provided over the estimated useful lives ranging from 2 to 40 years on both the straight-line and accelerated basis.

Donated Materials and Services

Donated facilities, materials and equipment are reflected as contributions in the accompanying statements at their estimated values on the date of receipt. Donated volunteer and entertainment services received during the year did not meet the requirements for recording in the financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional cost basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Doubtful Accounts

The Association uses the allowance method for recognizing bad debt expenses by specifically identifying those accounts which are doubtful for collection. As of June 30, 2023 no allowance has been recorded.

Subsequent Event

Management has performed an analysis of the activities and transactions subsequent to June 30, 2023 to determine the need for any adjustments to and/or disclosures with the audited financial statements for the year ended June 30, 2023. Management has performed their analysis through March 24, 2024, the date the financial statements were available to be issued.

NOTE B – PROPERTY AND EQUIPMENT

At June 30, 2023, equipment consists of the following:

Furniture, Fixtures & Equipment	\$ 1,626,320
Monitoring Equipment	611,008
Building & Land	892,343
Leasehold Improvements	<u>1,983</u>
	3,131,654
Less: Accumulated Depreciation	<u>1,749,691</u>
	<u><u>\$ 1,381,963</u></u>

The Association used state grant funds from the Florida Department of Environmental Protection to purchase and assemble certain assets during the course of the year. These assets are deemed property of the state. The Association retains custody and control of the assets during the contract period or until the assets intended use has expired. The Association has the option to purchase these assets once the intended use is deemed expired. These assets are tagged and noted as property of the state and any expenditures during the year have been recorded as costs to the program.

Assets maintained on behalf of the state consisted of the following:

Equipment	\$ 1,479,143
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OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE C – DEFERRED COMPENSATION AGREEMENT

The Association has a deferred compensation agreement with the co-founder. The formal agreement was effective from September 1, 2005 through September 1, 2015, at which time it was renegotiated with approval of the ORCA Board of Directors. The agreement stipulated that an amount be accrued on an annual basis. The amount is calculated based on the difference between the base pay rate and the actual amounts paid during the fiscal year. On May 20, 2015, the ORCA Board of Directors voted to commence payment of co-founder’s full salary effective July 1, 2015. An agreement for repayment of the deferred compensation is still outstanding as of January 21, 2023. As of fiscal year ended June 30, 2023 the accrued liability for deferred compensation was \$445,963.

NOTE D – OPERATING LEASES

The Association occupies office space that is donated. Contribution revenue and corresponding rent expense has been recorded in the accompanying financial statements at the estimated value as of June 30, 2023. Rent Expense under the lease and donated space was \$82,108 for the year ended June 30, 2023.

NOTE E – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions result from contributions or grants that have been restricted by the donors. Net assets with donor restrictions generally are contributions or grants that have been restricted by the donor or grantor for a specific purpose, such as support for certain programs and capital improvements. These restrictions are considered to expire when expenditures are recognized. Net assets with donor restrictions also include otherwise unrestricted contributions that are restricted due to time and will not be paid to the Association until some future date. These restrictions are considered to expire when the time has elapsed and the Association receives the payment from the donor.

NOTE F – LIQUIDITY

The Association’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and Investments	\$ 1,934,627
Grants Receivable	164,649
Less:	
Accounts Payable	(23,943)
Payroll & Related Liabilities	(95,296)
	<u>\$ 1,980,037</u>

The Association has \$2,099,276 of financial assets available within one year of the statement of financial position date to meet cash needs or general expenditures. Grants receivable are net assets with contract restrictions and released from restrictions for program expenditures. The Association has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE G - CONCENTRATIONS OF CREDIT RISK

The Association maintains cash balances at various financial institutions located in Florida. Amounts held in individual financial institutions may exceed insured limits by the Federal Deposit Insurance Corporation. At June 30, 2023 the Association had \$1,343,985 in uninsured funds. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash.

NOTE H - DEPENDENCY ON SUPPORT

The Association receives a substantial amount of support from individual, corporate donors and foundations. A reduction in the level of future support from these sources could have a substantial effect on the Association's programs and activities.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

Board of Directors
Ocean Research & Conservation Association, Inc.
Vero Beach, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Ocean Research & Conservation Association's compliance with the types of compliance requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of Ocean Research & Conservation Association's major state projects for the year ended June 30, 2023. Ocean Research & Conservation Association's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Ocean Research & Conservation Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended June 30, 2023.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; and Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Ocean Research & Conservation Association and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of Ocean Research & Conservation Association's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Ocean Research & Conservation Association's state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Ocean Research & Conservation Association's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Ocean Research & Conservation Association's compliance with the requirements of each major federal program and state project, as a whole.

In performing an audit in accordance with generally accepted auditing standards, the Uniform guidance and Chapter 10.650, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Ocean Research & Conservation Association's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Ocean Research & Conservation Association's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the audit requirements of Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of Ocean Research & Conservation Association's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the types of compliance requirements referred to above.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance, and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

A. Bartolomeo, M. Bee, Hartley & Barnes

Certified Public Accountants
Fort Pierce, FL
March 24, 2024

Ocean Research & Conservation Association
 Schedule of Expenditures of Federal Awards and State Financial Assistance
 For the year ending June 30, 2023

Description	CSFA Number	Contract Grant Number	Expenditures
<u>STATE PROJECTS:</u>			
<u>Florida Department of Environmental Protection</u>			
Division of Water Policy and Ecosystem Restoration	37.093	OWP04	<u>1,038,257</u>
TOTAL STATE PROJECTS			<u>\$ 1,038,257</u>

OCEAN RESEARCH & CONSERVATION ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:		Unmodified
Internal control over financial reporting:		
• Material weakness(es) identified?	_____ Yes No	_____ x
• Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes No	_____ x
Noncompliance material to financial statements noted?	_____ Yes No	_____ x

State Awards

Internal control over major programs/projects:		
• Material weakness(es) identified?	_____ Yes No	_____ x
• Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes No	_____ x
Type of auditor's report issued on compliance for major programs/projects:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 10.656 Rules of the Auditor General?	_____ Yes No	_____ x
Identification of Major Programs/Projects:		
Federal Program		
CFDA Number (s):	<u>Name of Federal Program or Cluster:</u>	<u>Year</u>
37.022	Water Management Districts - Land Acquisition and Improvement	2022-2023
Dollar threshold used to distinguish between type A and type B programs:	\$	750,000
Auditee qualified as low-risk auditee?	_____ x Yes No	_____

SECTION II - FINANCIAL STATEMENT FINDINGS

There are no findings relating to the financial statements which are required to be reported in accordance with *the Auditor General*.

SECTION III - STATE AWARDS AND QUESTIONED COSTS

There are no findings and questioned costs for State awards as defined in Chapter 10.654(1)(h)4.d and 4.e.

SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no audit findings reported in the prior audit.