

**OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.**

FINANCIAL STATEMENTS

Year Ended June 30, 2024

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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, 2024, 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, 2024, 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

October 28, 2024

**OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
Year Ended June 30, 2024

**ASSETS**

	Without Donor Restriction	With Donor Restriction	Total
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 518,331	\$ 485,338	\$ 1,003,669
Investments	672,344	-	672,344
Accounts Receivable	412,887	-	412,887
Inventory	17,695	-	17,695
Prepaid Expenses	27,843	-	27,843
TOTAL CURRENT ASSETS	1,649,100	485,338	2,134,438
<b>PROPERTY AND EQUIPMENT</b>			
Furniture, Fixtures and Equipment	1,434,767	-	1,434,767
Monitoring Equipment	1,084,196	-	1,084,196
Building and Land	1,473,156	-	1,473,156
	3,992,119	-	3,992,119
Less Accumulated Depreciation	1,880,859	-	1,880,859
	2,111,260	-	2,111,260
NET PROPERTY AND EQUIPMENT	2,111,260	-	2,111,260
	\$ 3,760,360	\$ 485,338	\$ 4,245,698

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 40,207	\$ -	\$ 40,207
Payroll and Related Liabilities	553,638	-	553,638
Deferred Grant Revenue	-	155,937	155,937
Note Payable	170,000	-	170,000
Accrued Expenses	29,660	-	29,660
TOTAL CURRENT LIABILITIES	793,505	155,937	949,442
<b>NET ASSETS</b>			
Without Donor Restrictions	2,966,855	-	2,966,855
With Donor Restrictions	-	329,401	329,401
TOTAL NET ASSETS	2,966,855	329,401	3,296,256
	\$ 3,760,360	\$ 485,338	\$ 4,245,698

**OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.**

**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2024

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Grants and Contracts			
State	\$ -	\$ 1,250,000	\$ 1,250,000
Contacts and Grants	-	570,215	570,215
Restricted Donations	-	88,499	88,499
Contributions			
Individuals and Corporation	247,549	-	247,549
Capital Campaign	-	40,130	40,130
Foundations	257,374	-	257,374
InKind Donations	77,404	-	77,404
Interest Income	38,150	-	38,150
Other Income	23,006	-	23,006
Special Events	90,936	-	90,936
Unrealized Gain	38,068	-	38,068
Sales of Merchandise (net of cost of sales \$422)	67	-	67
Net Assets Released from Restrictions	<u>1,948,844</u>	<u>(1,948,844)</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>2,721,398</u>	<u>-</u>	<u>2,721,398</u>
<b>EXPENSES</b>			
Program Services			
Kilroy	938,567	-	938,567
Ecotoxicity	57,194	-	57,194
Center for Citizen Science	564,215	-	564,215
One Health	9,742	-	9,742
Research and Development	96,892	-	96,892
Supporting Services			
Administrative	403,689	-	403,689
Fundraising	<u>272,387</u>	<u>-</u>	<u>272,387</u>
<b>TOTAL EXPENSES</b>	<u>2,342,687</u>	<u>-</u>	<u>2,342,687</u>
<b>CHANGE IN NET ASSETS</b>	378,711	-	378,711
<b>NET ASSETS</b>			
Beginning of Year	<u>2,588,144</u>	<u>329,401</u>	<u>2,917,545</u>
End of Year	<u>\$ 2,966,855</u>	<u>\$ 329,401</u>	<u>\$ 3,296,256</u>

**OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2024**

	CENTER FOR CITIZEN SCIENCE			PROGRAM						SUPPORTING SERVICES			TOTAL EXPENSES
	EDUCATION	CENTER FOR CITIZEN SCIENCE	TOTAL	ECOTOXICITY	ONE HEALTH	KILROY	RESEARCH AND DEVELOPMENT	TOTAL	ADMINISTRATIVE	FUNDRAISING	TOTAL		
Advertising and Publications	\$ -	\$ 2,945	\$ 2,945	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,695	\$ 85,695	88,640	
Bank Charges/Interest	-	30	30	-	-	-	15	15	515	30	545	590	
Boat Fuel	-	-	-	-	-	5,329	-	5,329	-	-	-	5,329	
Capital Building Improvements	-	-	-	-	-	-	-	-	16,514	800	17,314	17,314	
Cleaning and Maintenance	164	326	490	27	27	136	27	218	163	109	272	980	
Data Management	243	-	243	-	-	24,663	-	24,663	-	-	-	24,906	
Dues and Subscriptions	35	500	535	-	-	-	-	-	403	5,669	6,072	6,607	
Equipment Rent	-	135	135	-	-	-	-	-	-	-	-	135	
Fringe Benefits	11,609	34,554	46,163	5,814	1,364	115,517	6,275	128,970	50,488	19,804	70,292	245,425	
Insurance	1,742	4,799	6,541	608	429	7,218	1,201	9,456	4,151	2,077	6,228	22,225	
Inkind	-	65,760	65,760	-	-	-	-	-	-	11,644	11,644	77,404	
Laboratory Testing	-	33,021	33,021	1,854	-	35,284	1,103	38,240	-	-	-	71,261	
Licenses and Fees	132	1,460	1,592	-	-	374	-	374	381	308	689	2,654	
Materials and Supplies	8,384	77,109	85,493	2,880	224	179,191	13,169	195,463	-	-	-	280,955	
Meetings and Conferences	3,197	4,069	7,266	40	-	5,796	57	5,894	15,110	18,821	33,931	47,091	
Merchant Fees	-	35	35	-	-	-	-	-	-	1,552	1,552	1,587	
Miscellaneous	-	199	199	-	-	-	-	-	-	-	-	199	
Office Software and Equipment	77	4,418	4,496	532	26	798	532	1,888	3,110	1,206	4,316	10,699	
Office Supplies	794	2,788	3,582	18	-	573	-	591	4,517	1,353	5,870	10,042	
Payroll Taxes	7,734	13,471	21,205	2,906	622	27,905	4,850	36,283	16,000	6,329	22,328	79,816	
Postage and Shipping	4	3,619	3,624	1,406	9	6,566	325	8,306	259	1,112	1,371	13,301	
Printing and Reproduction	720	666	1,386	43	-	43	-	86	1,299	3,371	4,670	6,142	
Professional Services	2,175	5,710	7,885	1,530	662	9,247	919	12,357	16,672	3,613	20,285	40,527	
Property Tax	-	-	-	-	-	-	-	-	11,620	-	11,620	11,620	
Repairs and Maintenance	4	1,543	1,547	8	8	16,938	8	16,963	243	33	275	18,785	
Rent	-	-	-	-	-	20,780	-	20,780	8,281	180	8,461	29,241	
Special Events	-	-	-	-	-	-	-	-	-	34,925	34,925	34,925	
Subcontract	342	4,555	4,897	84	-	15,157	-	15,241	18,100	-	18,100	38,237	
Telephone	388	813	1,201	164	36	2,090	100	2,389	3,943	1,440	5,383	8,973	
Utilities	367	960	1,327	314	235	1,676	271	2,496	7,165	1,249	8,414	12,236	
Wages	88,064	148,686	236,750	34,473	6,100	297,287	56,978	394,838	200,056	71,067	271,123	902,710	
SUBTOTAL	126,176	412,171	538,347	52,700	9,742	772,565	85,828	920,835	378,988	272,387	651,376	2,110,558	
Depreciation Expense	-	25,868	25,868	4,494	-	166,002	11,064	181,560	24,701	-	24,701	232,129	
TOTAL	\$ 126,176	\$ 438,039	\$ 564,215	\$ 57,194	\$ 9,742	\$ 938,567	\$ 96,892	\$ 1,102,395	\$ 403,689	\$ 272,387	\$ 676,077	\$ 2,342,687	

**OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.**

STATEMENT OF CASH FLOW

Year Ended June 30, 2024

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 378,711
Adjustments to Reconcile Net Cash Provided by Operating Activities	
Depreciation	232,129
Changes in Operating Assets and Liabilities:	
Grants Receivable	(248,238)
Prepaid Expenses	(14,453)
Inventory	422
Accounts Payable and Accrued Expenses	45,924
Deferred Revenue	125,937
Note Payable	170,000
Payroll and Related Liabilities	12,379
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>702,811</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Investments	(579,789)
Acquisition of Capital Assets	(961,426)
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,541,215)</u>

NET DECREASE IN CASH (838,404)

**CASH**

Beginning of Year	<u>1,842,073</u>
End of Year	<u>\$ 1,003,669</u>



# OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

### 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, 2024

### 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, 2024. 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, 2024

**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, 2024, no allowance has been recorded.

Subsequent Event

Management has performed an analysis of the activities and transactions subsequent to June 30, 2024 to determine the need for any adjustments to and/or disclosures with the audited financial statements for the year ended June 30, 2024. Management has performed their analysis through October 28, 2024, the date the financial statements were available to be issued.

**NOTE B – PROPERTY AND EQUIPMENT**

At June 30, 2024, equipment consists of the following:

Furniture, Fixtures and Equipment	\$ 1,434,767
Monitoring Equipment	1,084,196
Building and Land	<u>1,473,156</u>
	3,992,119
Less: Accumulated Depreciation	<u>1,880,859</u>
	<u>\$ 2,111,260</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	\$ 1,084,196
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**OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.**

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

**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, 2024, the accrued liability for deferred compensation was \$445,963.

**NOTE D – OPERATING LEASES**

Contribution revenue and corresponding rent expense has been recorded in the accompanying financial statements at the estimated value as of June 30, 2024. Rent Expense under the lease was \$20,780 for the year ended June 30, 2024.

**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	\$ 1,676,012
Grants Receivable	412,887
Less:	
Accounts Payable	(40,207)
Payroll & Related Liabilities	(107,675)
	<u>\$ 1,941,017</u>

The Association has \$1,941,017 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, 2024**

**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, 2024 the Association had \$502,280 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.

**NOTE I – NOTE PAYABLE**

In August of 2023, the Board of Directors approved the purchase of a new roof. The purchase price was \$170,000. A loan was obtained from Trudie Rainone in the amount of \$170,000 bearing zero interest.

***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, 2024. 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, 2024.

***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  
October 28, 2024



Ocean Research & Conservation Association  
 Schedule of Expenditures of Federal Awards and State Financial Assistance  
 For the year ending June 30, 2024

Description	CSFA Number	Contract Grant Number	Expenditures
<b><u>STATE PROJECTS:</u></b>			
<u>Florida Department of Environmental Protection</u>			
Division of Water Policy and Ecosystem Restoration	37.093	OWP04	<u>1,250,000</u>
<b>TOTAL STATE PROJECTS</b>			<u>\$ 1,250,000</u>

**OCEAN RESEARCH & CONSERVATION ASSOCIATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2024

**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		
<u>CFDA Number (s):</u> <u>Name of Federal Program or Cluster:</u>		<u>Year</u>
37.093                      Water Management Districts - Land Acquisition and Improvement		2023-2024
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.

## MANAGEMENT LETTER

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

### **Report on the Financial Statements**

We have audited the financial statements of Ocean Research & Conservation Association, as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated October 28, 2024.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Compliance for State Projects and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated October 28, 2024, should be considered in conjunction with this management letter.

### **Additional Matters**

Section 10.654(1)(e), Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*A. Bartolomeo, M. Bee, Hartley & Barnes*

Certified Public Accountants  
Fort Pierce, FL  
October 28, 2024