

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

FINANCIAL STATEMENTS

Year Ended June 30, 2025

CONTENTS

	<u>PAGE</u>
Independent Auditor’s Report.....	1-2
Statement of Financial Position .....	3
Statement of Activities.....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements.....	7-11
 Supplementary Information	
Independent Auditor’s Report on Compliance for Each Major State Project and Internal Control Over Compliance in Accordance with Chapter 10.650, Rules of the Auditor General .....	12-14
Schedule of Expenditures of State Financial Assistance Projects .....	15
Schedule of Findings and Questioned Costs State Projects .....	16
Auditor’s Management Letter Required by Chapter 10.550, Florida Statutes .....	17

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, 2025, 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, 2025, 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

May 14, 2026

**OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
Year Ended June 30, 2025

<u>ASSETS</u>	Without Donor Restriction	With Donor Restriction	Total
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 278,537	\$ 165,610	\$ 444,147
Investments	1,915,327	-	1,915,327
Accounts Receivable	173,589	-	173,589
Inventory	12,014	-	12,014
Prepaid Expenses	31,638	-	31,638
TOTAL CURRENT ASSETS	<u>2,411,105</u>	<u>165,610</u>	<u>2,576,715</u>
<b>PROPERTY AND EQUIPMENT</b>			
Furniture, Fixtures and Equipment	623,630	-	623,630
Monitoring Equipment	1,344,109	-	1,344,109
Building and Land	1,552,038	-	1,552,038
	<u>3,519,777</u>	<u>-</u>	<u>3,519,777</u>
Less Accumulated Depreciation	1,359,088	-	1,359,088
NET PROPERTY AND EQUIPMENT	<u>2,160,689</u>	<u>-</u>	<u>2,160,689</u>
	<u>\$ 4,571,794</u>	<u>\$ 165,610</u>	<u>\$ 4,737,404</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 8,981	\$ -	\$ 8,981
Payroll and Related Liabilities	549,647	-	549,647
Deferred Grant Revenue	-	165,610	165,610
Scholarship Fund	30,110	-	30,110
Note Payable	120,000	-	120,000
Accrued Expenses	29,206	-	29,206
Deferred Event Revenue	19,783	-	19,783
TOTAL CURRENT LIABILITIES	<u>757,727</u>	<u>165,610</u>	<u>923,337</u>
<b>NET ASSETS</b>			
Without Donor Restrictions	3,814,067	-	3,814,067
With Donor Restrictions	-	-	-
TOTAL NET ASSETS	<u>3,814,067</u>	<u>-</u>	<u>3,814,067</u>
	<u>\$ 4,571,794</u>	<u>\$ 165,610</u>	<u>\$ 4,737,404</u>

**OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2025

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Grants and Contracts			
State	\$ -	\$ 850,777	\$ 850,777
Contacts and Grants	-	580,191	580,191
Restricted Donations	-	142,857	142,857
Contributions			
Individuals and Corporation	284,054	-	284,054
Capital Campaign	-	358,750	358,750
Foundations	487,506	-	487,506
InKind Donations	63,960	-	63,960
Interest Income	45,620	-	45,620
Other Income	10,090	-	10,090
Special Events	99,611	-	99,611
Unrealized Gain	10,012	-	10,012
Net Assets Released from Restrictions	<u>2,261,976</u>	<u>(2,261,976)</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u><b>3,262,829</b></u>	<u><b>(329,401)</b></u>	<u><b>2,933,428</b></u>
<b>EXPENSES</b>			
Program Services			
Kilroy	956,004	-	956,004
Ecotoxicity	61,895	-	61,895
Center for Citizen Science	597,562	-	597,562
One Health	11,069	-	11,069
Research and Development	99,664	-	99,664
Supporting Services			
Administrative	413,664	-	413,664
Fundraising	<u>275,759</u>	<u>-</u>	<u>275,759</u>
<b>TOTAL EXPENSES</b>	<u><b>2,415,617</b></u>	<u><b>-</b></u>	<u><b>2,415,617</b></u>
<b>CHANGE IN NET ASSETS</b>	<b>847,212</b>	<b>(329,401)</b>	<b>517,811</b>
<b>NET ASSETS</b>			
Beginning of Year	<u>2,966,855</u>	<u>329,401</u>	<u>3,296,256</u>
End of Year	<u><u>\$ 3,814,067</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,814,067</u></u>

**OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2025**

	CENTER FOR CITIZEN SCIENCE			PROGRAM					SUPPORTING SERVICES			TOTAL EXPENSES	
	EDUCATION	CITIZEN SCIENCE	TOTAL	ECOTOXICITY	ONE HEALTH	KILROY	RESEARCH AND DEVELOPMENT	TOTAL	ADMINISTRATIVE	FUNDRAISING	TOTAL		
Advertising and Publications	\$ -	\$ 2,809	\$ 2,809	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,783	\$ 81,783	\$ 84,592
Bank Charges/Interest	-	97	97	-	-	-	-	48	48	1,658	97	1,755	1,900
Boat Fuel	-	-	-	-	-	5,391	-	5,391	-	-	-	-	5,391
Capital Building Improvements	-	-	-	-	-	-	-	-	-	6,457	313	6,770	6,770
Data Management	205	-	205	-	-	20,831	-	20,831	-	-	-	-	21,036
Dues and Subscriptions	46	655	701	-	-	-	-	-	-	528	7,434	7,962	8,663
Fringe Benefits	14,682	43,700	58,382	7,353	1,725	146,092	7,936	163,106	63,851	25,046	88,897	310,385	310,385
Insurance	3,006	8,280	11,286	1,049	740	12,456	2,073	16,318	7,163	3,584	10,747	38,351	38,351
Inkind	-	54,337	54,337	-	-	-	-	-	-	-	9,622	9,622	63,959
Laboratory Testing	-	66,395	66,395	3,728	-	70,946	2,218	76,892	-	-	-	-	143,287
Licenses and Fees	99	1,090	1,189	-	-	279	-	279	-	285	230	515	1,983
Materials and Supplies	6,974	64,146	71,120	2,396	186	149,065	10,954	162,601	-	-	-	-	233,721
Meetings and Conferences	2,287	2,911	5,198	29	-	4,146	41	4,216	10,808	13,463	24,271	33,685	33,685
Merchant Fees	-	29	29	-	-	-	-	-	-	-	1,280	1,280	1,309
Miscellaneous	-	259	259	-	-	-	-	-	-	-	-	-	259
Office Software and Equipment	58	3,334	3,392	401	20	602	401	1,424	2,347	910	3,257	8,073	8,073
Office Supplies	668	2,345	3,013	15	-	482	-	497	3,799	1,138	4,937	8,447	8,447
Payroll Taxes	8,796	15,321	24,117	3,305	707	31,735	5,516	41,263	18,196	7,198	25,394	90,774	90,774
Postage and Shipping	3	2,699	2,702	1,049	7	4,897	242	6,195	193	829	1,022	9,919	9,919
Printing and Reproduction	903	835	1,738	54	-	54	-	108	1,629	4,228	5,857	7,703	7,703
Professional Services	2,594	6,810	9,404	1,825	790	11,029	1,096	14,740	19,884	4,309	24,193	48,337	48,337
Property Tax	-	-	-	-	-	-	-	-	12,378	-	12,378	12,378	12,378
Repairs and Maintenance	8	3,111	3,119	16	16	34,147	16	34,195	490	67	557	37,871	37,871
Rent	-	-	-	-	-	17,366	-	17,366	6,920	150	7,070	24,436	24,436
Special Events	-	-	-	-	-	-	-	-	-	34,812	34,812	34,812	34,812
Subcontract	242	3,218	3,460	58	-	10,708	-	10,766	12,787	-	12,787	27,013	27,013
Telephone	371	778	1,149	157	34	2,000	96	2,287	3,773	1,378	5,151	8,587	8,587
Utilities	457	1,194	1,651	391	292	2,085	337	3,105	8,913	1,554	10,467	15,223	15,223
Wages	94,591	159,707	254,298	37,027	6,552	319,321	61,200	424,100	214,884	76,334	291,218	969,616	969,616
<b>SUBTOTAL</b>	<b>\$ 135,990</b>	<b>\$ 444,060</b>	<b>\$ 580,050</b>	<b>\$ 58,853</b>	<b>\$ 11,069</b>	<b>\$ 843,632</b>	<b>\$ 92,174</b>	<b>\$ 1,005,728</b>	<b>\$ 396,943</b>	<b>\$ 275,759</b>	<b>\$ 672,702</b>	<b>\$ 2,258,481</b>	<b>\$ 2,258,481</b>
Depreciation Expense	-	17,511	17,511	3,042	-	112,372	7,490	122,904	16,721	-	16,721	157,136	157,136
<b>TOTAL</b>	<b>\$ 135,990</b>	<b>\$ 461,571</b>	<b>\$ 597,562</b>	<b>\$ 61,895</b>	<b>\$ 11,069</b>	<b>\$ 956,004</b>	<b>\$ 99,664</b>	<b>\$ 1,128,632</b>	<b>\$ 413,664</b>	<b>\$ 275,759</b>	<b>\$ 689,423</b>	<b>\$ 2,415,617</b>	<b>\$ 2,415,617</b>

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

STATEMENT OF CASH FLOW

Year Ended June 30, 2025

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 517,811
Adjustments to Reconcile Net Cash Provided by Operating Activities	
Depreciation	157,136
InKind Donations	
Matching Grant Revenue - Note D	
Changes in Operating Assets and Liabilities:	
Grants Receivable	239,298
Prepaid Expenses	(3,795)
Inventory	5,681
Accounts Payable and Accrued Expenses	(31,680)
Deferred Revenue	9,673
Note Payable	(50,000)
Payroll and Related Liabilities	(3,991)
Deferred Event Revenue	19,783
	<u>859,916</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>859,916</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Investments	(1,242,984)
Acquisition of Capital Assets	(206,564)
	<u>(1,449,548)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,449,548)</u>

NET DECREASE IN CASH (559,522)

**CASH**

Beginning of Year	<u>1,003,669</u>
End of Year	<u>\$ 444,147</u>

# OCEAN RESEARCH & CONSERVATION ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization

Ocean Research & Conservation Association, Inc. (Association) is an IRS 501(c)(3) nonprofit corporation located in Vero Beach, 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, 2025

### 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, 2025. 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, 2025

**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, 2025, no allowance has been recorded.

Subsequent Event

Management has performed an analysis of the activities and transactions subsequent to June 30, 2025 to determine the need for any adjustments to and/or disclosures with the audited financial statements for the year ended June 30, 2025. Management has performed their analysis through May 14, 2026, the date the financial statements were available to be issued.

**NOTE B – PROPERTY AND EQUIPMENT**

At June 30, 2025, equipment consists of the following:

Furniture, Fixtures and Equipment	\$ 623,630
Monitoring Equipment	1,344,109
Building and Land	1,552,038
	<hr/>
	3,519,777
Less: Accumulated Depreciation	1,359,088
	<hr/>
	\$ 2,160,689
	<hr/>

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.

**NOTE C – DEFERRED COMPENSATION AGREEMENT**

The Association has a deferred compensation agreement with the co-founder, Edith Widder. 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, 2025, the accrued liability for deferred compensation was \$445,963.

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

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

**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, 2025. Rent Expense under the lease was \$22,276 for the year ended June 30, 2025.

**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	\$ 2,359,474
Grants Receivable	173,589
Less:	
Accounts Payable	(8,981)
Payroll & Related Liabilities	<u>(103,684)</u>
	<u>\$ 2,420,398</u>

The Association has \$2,420,398 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.

**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, 2025 the Association had \$170,221 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.

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

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended June 30, 2025**

**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. The Association paid off the balance of this loan subsequent to yearend.

***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, 2025. 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, 2025.

***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

May 14, 2026

Ocean Research & Conservation Association  
 Schedule of Expenditures of Federal Awards and State Financial Assistance  
 For the year ending June 30, 2025

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	850,777
<b>TOTAL STATE PROJECTS</b>			<b>\$ 850,777</b>

**OCEAN RESEARCH & CONSERVATION ASSOCIATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2025

**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	_____ <u>x</u>
• Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes No	_____ <u>x</u>
Noncompliance material to financial statements noted?	_____ Yes No	_____ <u>x</u>

*State Awards*

Internal control over major programs/projects:		
• Material weakness(es) identified?	_____ Yes No	_____ <u>x</u>
• Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes No	_____ <u>x</u>
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	_____ <u>x</u>
Identification of Major Programs/Projects:		
Federal Program		
CFDA Number (s):	<u>Name of Federal Program or Cluster:</u>	<u>Year</u>
37.093	Water Management Districts - Land Acquisition and Improvement	2024-2025
Dollar threshold used to distinguish between type A and type B programs:	\$	750,000
Auditee qualified as low-risk auditee?	_____ <u>x</u> 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, 2025, and have issued our report thereon dated May 14, 2026.

### **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 May 14, 2026, 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  
May 14, 2026