

Seatuck Environmental Association, Inc.

Financial Statements

December 31, 2022

Seatuck Environmental Association, Inc.
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Independent Auditors' Report

To the Board of Directors
Seatuck Environmental Association, Inc.
Islip, New York

Opinion

We have audited the financial statements of Seatuck Environmental Association, Inc., which comprise the statements of financial position as of December 31, 2022, and 2021 and the related statements of activities and net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Seatuck Environmental Association, Inc. as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Seatuck Environmental Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Seatuck Environmental Association, Inc.'s ability to continue as a going concern for within one year from the date the financial statements are made available for issuance.

Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 Seatuck Environmental 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 Seatuck Environmental 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.

Beth Schmitt Passell LLP

Certified Public Accountants

Woodbury, New York
November 9, 2023



Seatuck Environmental Association, Inc.
Statements of Financial Position
December 31,

Assets	2022	2021
Current Assets		
Cash	\$ 339,461	\$ 288,642
Contributions and Accounts Receivable	<u>14,755</u>	<u>10,792</u>
Total Current Assets	<u>354,216</u>	<u>299,434</u>
Property and Equipment, net of accumulated depreciation of \$181,576 and \$158,604, respectively	<u>84,894</u>	<u>107,866</u>
Other Assets		
Investments	<u>1,616,998</u>	<u>1,999,057</u>
Total Other Assets	<u>1,616,998</u>	<u>1,999,057</u>
Total Assets	<u>\$ 2,056,108</u>	<u>\$ 2,406,357</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 82,021	\$ 91,019
Loan Payable - SBA Economic Injury Disaster Loan	<u>3,765</u>	<u>3,346</u>
Total Current Liabilities	<u>85,786</u>	<u>94,365</u>
NonCurrent Liabilities		
Loan Payable - SBA Economic Injury Disaster Loan	<u>140,755</u>	<u>143,765</u>
Total NonCurrent Liabilities	<u>140,755</u>	<u>143,765</u>
Total Liabilities	<u>226,541</u>	<u>238,130</u>
Commitments and Contingencies		
Net Assets		
Without Donor Restrictions	1,696,667	2,033,227
With Donor Restrictions	<u>132,900</u>	<u>135,000</u>
Total Net Assets	<u>1,829,567</u>	<u>2,168,227</u>
Total Liabilities and Net Assets	<u>\$ 2,056,108</u>	<u>\$ 2,406,357</u>

The accompanying notes are an integral part of the financial statements.

Seatuck Environmental Association, Inc.
Statements of Activities and Net Assets
For the Years Ended December 31,

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Contributions	\$ 260,904	\$ 23,100	\$ 284,004	\$ 126,839	\$ -	\$ 126,839
Fundraising Events - Net	62,020	-	62,020	13,634	-	13,634
Program Fees	156,329	-	156,329	145,195	-	145,195
Consulting	81,469	-	81,469	98,911	-	98,911
Grant Revenue	354,014	77,815	431,829	819,802	135,000	954,802
Rental Income	20,575	-	20,575	18,100	-	18,100
Net Investment Income (Loss)	<u>(267,792)</u>	<u>-</u>	<u>(267,792)</u>	<u>223,240</u>	<u>-</u>	<u>223,240</u>
Total Support and Revenue	667,519	100,915	768,434	1,445,721	135,000	1,580,721
Net Assets Released from Restrictions	<u>103,015</u>	<u>(103,015)</u>	<u>-</u>	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>
Net Support and Revenue	<u>770,534</u>	<u>(2,100)</u>	<u>768,434</u>	<u>1,465,721</u>	<u>115,000</u>	<u>1,580,721</u>
Functional Expenses						
Program	764,560	-	764,560	812,395	-	812,395
Fundraising	179,002	-	179,002	146,420	-	146,420
Management and General	<u>163,532</u>	<u>-</u>	<u>163,532</u>	<u>156,316</u>	<u>-</u>	<u>156,316</u>
Total Functional Expenses	<u>1,107,094</u>	<u>-</u>	<u>1,107,094</u>	<u>1,115,131</u>	<u>-</u>	<u>1,115,131</u>
Change in Net Assets	(336,560)	(2,100)	(338,660)	350,590	115,000	465,590
Net Assets - Beginning	<u>2,033,227</u>	<u>135,000</u>	<u>2,168,227</u>	<u>1,682,637</u>	<u>20,000</u>	<u>1,702,637</u>
Net Assets - End	<u>\$ 1,696,667</u>	<u>\$ 132,900</u>	<u>\$ 1,829,567</u>	<u>\$ 2,033,227</u>	<u>\$ 135,000</u>	<u>\$ 2,168,227</u>

The accompanying notes are an integral part of the financial statements.

Seatuck Environmental Association, Inc.
Statements of Functional Expenses
For the Years Ended December 31,

	2022			2022	2021
	Program	Fundraising	Management and General	Totals	Totals
Salaries	\$ 490,634	\$ 152,036	\$ 71,537	\$ 714,207	\$ 688,051
Payroll Taxes	45,856	14,210	6,686	66,752	61,030
Payroll Processing	2,320	633	1,265	4,218	1,988
Employee Benefits	47,191	7,260	18,151	72,602	52,002
Educational and Research Programs	109,511	-	-	109,511	172,822
Public Relations, Office and Miscellaneous	12,719	1,272	11,446	25,437	23,891
Insurance	11,211	1,602	3,203	16,016	16,067
State Filing and Registration Fees	-	-	275	275	275
Utilities	5,860	586	5,274	11,720	12,537
Postage	746	124	374	1,244	1,370
Professional Fees	3,000	-	23,000	26,000	30,350
Repairs and Maintenance	7,595	-	2,531	10,126	16,403
Telephone	7,723	-	3,309	11,032	10,906
Travel	2,533	181	905	3,619	2,209
Meeting Related Expenses	2,189	663	3,780	6,632	4,149
Bank Fees and Credit Card Processing Charges	3,986	435	310	4,731	4,925
Depreciation	11,486	-	11,486	22,972	16,156
Total Functional Expenses	\$ 764,560	\$ 179,002	\$ 163,532	\$ 1,107,094	\$ 1,115,131

The accompanying notes are an integral part of the financial statements.

Seatuck Environmental Association, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2021

	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Totals</u>
Salaries	\$ 492,479	\$ 125,248	\$ 70,324	\$ 688,051
Payroll Taxes	43,683	11,109	6,238	61,030
Payroll Processing	1,093	298	597	1,988
Employee Benefits	33,801	5,200	13,001	52,002
Educational and Research Programs	172,822	-	-	172,822
Public Relations, Office and Miscellaneous	11,946	1,195	10,750	23,891
Insurance	11,247	1,607	3,213	16,067
State Filing and Registration Fees	-	-	275	275
Utilities	6,269	627	5,641	12,537
Postage	822	137	411	1,370
Professional Fees	3,000	-	27,350	30,350
Repairs and Maintenance	12,302	-	4,101	16,403
Telephone	7,634	-	3,272	10,906
Travel	1,546	110	553	2,209
Meeting Related Expenses	1,369	415	2,365	4,149
Bank Fees and Credit Card Processing Charges	4,304	474	147	4,925
Depreciation	8,078	-	8,078	16,156
Total Functional Expenses	<u>\$ 812,395</u>	<u>\$ 146,420</u>	<u>\$ 156,316</u>	<u>\$ 1,115,131</u>

The accompanying notes are an integral part of the financial statements.

Seatuck Environmental Association, Inc.
Statements of Cash Flows
For the Years Ended December 31,

	2022	2021
Cash Flows From Operating Activities		
Change in Net Assets	\$ (338,660)	\$ 465,590
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation	22,972	16,156
Loss (Gain) on Investments	333,319	(158,502)
Changes in Operating Assets and Liabilities:		
Contributions and Accounts Receivable	(3,963)	40,551
Prepaid Expenses and Other Current Assets	-	2,800
Accounts Payable and Accrued Expenses	<u>(8,998)</u>	<u>33,456</u>
Net Cash Provided by Operating Activities	<u>4,670</u>	<u>400,051</u>
Cash Flows From Investing Activities		
Purchases of Investments	(69,523)	(161,078)
Proceeds from Sales of Investments	118,263	102,966
Fixed Assets Additions	<u>-</u>	<u>(92,978)</u>
Net Cash Provided by (Used in) Investing Activities	<u>48,740</u>	<u>(151,090)</u>
Cash Flows From Financing Activities		
Loan Repayments	<u>(2,591)</u>	<u>(94,287)</u>
Net Cash Used in Financing Activities	<u>(2,591)</u>	<u>(94,287)</u>
Net Increase in Cash	50,819	154,674
Cash - Beginning	<u>288,642</u>	<u>133,968</u>
Cash - End	<u>\$ 339,461</u>	<u>\$ 288,642</u>
Cash Paid During the Year For:		
Interest	<u>\$ 4,116</u>	<u>\$ 5,984</u>
Income Taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

Seatuck Environmental Association, Inc.
Notes to Financial Statements
December 31, 2022

Note 1 Summary of Significant Accounting Policies

A summary of the major accounting policies followed by the Organization in the preparation of the accompanying financial statements is set forth below:

a) **Organization**

The Seatuck Environmental Association, Inc. (the "Organization") was organized on June 9, 1989, under the provisions of the State of New York, as a not-for-profit organization. The Internal Revenue Service granted the Organization permanent status as a 501(c)(3) organization. The mission of the Seatuck Environmental Association, Inc. is to promote the conservation of Long Island's wildlife and environment. The Organization pursues its mission by employing a multi-pronged approach to various wildlife conservation projects and offering high quality environmental education opportunities for all age groups. The Organization is supported primarily through public contributions, program fees, and investment income, and the Organization receives a substantial amount of support from one family and entities related to or controlled by that family. The Organization's educational outreach includes work at two nature-based public education facilities in Suffolk County, New York, including the Suffolk County Environmental Center at the Scully Estate in Islip, which acts as the Organization's base of operations, and the South Shore Nature Center in East Islip.

b) **Basis of Accounting**

The books and records of the Organization are maintained and the accompanying financial statements have been prepared based on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The financial statement presentation follows the provisions of the Financial Accounting Standards Board Accounting Codification (FASB ASC) 958, Not-for-Profit Entities. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities into two classes of net assets: without donor restrictions and with donor restrictions. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without donor restrictions – net assets that are not subject to restrictions

With donor restrictions – net assets that are subject to restrictions

For the year ended December 31, 2022 \$1,696,667 of the Organization's net assets and activities were not subject to restrictions and \$132,900 were subject to restrictions. For the year ended December 31, 2021 \$2,033,227 of the Organization's net assets and activities were not subject to restrictions and \$135,000 were subject to restrictions.

Seatuck Environmental Association, Inc.
Notes to Financial Statements
December 31, 2022

Note 1 Summary of Significant Accounting Policies (Continued)

c) Investments

All investments are carried at their fair value with related gains and losses included in the statement of activities. The fair value of all equity securities, exchange traded products, and mutual funds with readily determinable fair values approximates quoted market prices, see Note 2 for more information regarding fair values. All investment income is reported net of investment advisory fees, see Note 2 relative to a breakdown of investment income. All investment income is reported as unrestricted unless otherwise restricted by the donor or required by accounting convention. All appreciation/depreciation earned on investments is reported as a change in unrestricted net assets unless otherwise restricted by the donor, applicable law, or accounting convention.

d) Property and Equipment

Purchased equipment is capitalized at cost when acquired or recorded at fair market value if contributed. The Organization uses \$2,500 as a guide for capitalization of property and equipment. Depreciation of equipment is computed on a straight-line basis over the estimated useful lives of the related assets, which range from 3 to 15 years. Maintenance and repairs are charged to expense when incurred. Betterments and major renewals or replacements are capitalized.

e) Recognition of Support and Revenue

Principal support for the programs operated by the Organization is derived from contributions and grants. Contributions and grants are generally non-exchange transactions and accounted for under Accounting Standards Update ("ASU") 2018-08 "Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made" (Topic 958).

Contributions and grants are recognized as revenue when barriers within the agreements are overcome, and there is no right of return. Once the barriers are overcome, the Organization determines if there are any donor-imposed restrictions (e.g., for a specific purpose or period of time). The contribution is then recognized as unconditional and classified as either net assets with donor restrictions or net assets without donor restrictions (see Note 2B). Once the restrictions are met, the contribution or grant is then transferred to net assets without donor restrictions. Contributions and grants amounted to \$715,833 and \$1,081,641 for the years ended December 31, 2022 and 2021, respectively, and are included in the statement of activities.

Conditional contributions received (contribution with donor-imposed condition) are accounted for as deferred revenues or are unrecognized initially until barriers to entitlement are overcome. The donor-imposed condition represents a barrier that must be overcome before the Organization is entitled to the revenue. Failure to overcome the barrier gives the contributor a right of return of the revenue it has transferred or gives the promisor a right of release from its obligations to make a contribution.

Seatuck Environmental Association, Inc.
Notes to Financial Statements
December 31, 2022

Note 1 Summary of Significant Accounting Policies (Continued)

- e) Recognition of Support and Revenue (continued)
Unconditional promises to give (without barriers) are recorded as revenues when pledged. All contributions are available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

The Organization reports in-kind contributions as unrestricted support at fair market value, unless explicit donor stipulations specify how the donated assets must be used. in-kind contributions of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Event revenue received for events is recognized when the event occurs. If revenue is received for an event that occurs in a future fiscal year this revenue is deferred and recognized in the period in which the event occurs.

The allowance method is used to determine uncollectible amounts. The Organization records an allowance for doubtful accounts on its outstanding receivables based on its collection history, analysis of subsequent collections and specific identification of uncollectible accounts. At December 31, 2022 and 2021 the allowance for uncollectible accounts was \$1,000.

- f) Donated Services
No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific events, campaign solicitations, and various assignments, but these services do not meet the criteria for recognition as contributed services. During the years ended December 31, 2022 and 2021, the Organization received support from volunteers but these services do not meet the criteria for recognition as contributed revenue.

Seatuck Environmental Association, Inc.
Notes to Financial Statements
December 31, 2022

Note 1 Summary of Significant Accounting Policies (Continued)

g) Other Sources of Revenue

Other sources of revenue include program fees, consulting, and rental income. Effective January 1, 2018, the Organization adopted ASC 606, Revenue from Contracts with Customers using the full retrospective adoption method. The impact of adopting this guidance was immaterial to the Organization's financial statements and related disclosures. Under ASC 606, a contract with a customer is an agreement which both parties have approved, that creates enforceable rights and obligations, has commercial substance, where payment terms are identified, and collectability is probable. The Organization's customer contracts predominantly contain a single performance obligation to fulfill customer orders for the purchase of specified services. A performance obligation is a promise in a contract to transfer a distinct good or service to a customer. The Organization's revenue is recognized at the point in time when performance obligations have been satisfied, and the service has been provided to the customer. As such, support and revenue are generally recorded when programs occur, consulting is performed, and/or space is made available as applicable, and revenue is recognized at that time. Deposits, advances and prepayments relating to other sources of revenue are deferred and revenues are recognized upon fulfillment of the revenue recognition criteria.

A majority of the Organization's revenue is short-term in nature with events, grants, or programs occurring within one year from the agreement date. The Organization's payment terms are generally 30 days, but can vary by customer.

Disaggregation of Revenue from Contracts with Customers:

The following table disaggregates the Organization's revenue based on the timing of satisfaction of performance obligations for the years ended December 31,

	2022	2021
Performance obligations satisfied at a point in time	\$ 692,036	\$1,099,128
Performance obligations satisfied over time	100,915	135,000
Direct costs of fundraising events	<u>(17,629)</u>	<u>(3,486)</u>
Total Net Revenue	<u>\$ 775,322</u>	<u>\$1,230,642</u>

Seatuck Environmental Association, Inc.
Notes to Financial Statements
December 31, 2022

Note 1 Summary of Significant Accounting Policies (Continued)

h) **Functional Expenses**

Expenses are charged to specific areas of program or supporting service to which they relate. Other expenses have been allocated by function between program and supporting service classifications based on the reasonable determination of management.

i) **Income Taxes**

The Organization has been classified by the Internal Revenue Service as a publicly supported charity, tax exempt pursuant to Internal Revenue Code Section 501(c)(3) and as a not-for-profit corporation in New York State. Accordingly, no provision for federal or state income tax is recorded.

j) **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 Investments

These investments all have quoted market prices and as such are considered Level 1 assets for fair value purposes. The composition of investments, classified as other assets and trading securities, consists of the following, as at December 31:

December 31, 2022

	Cost	Net Unrealized Gain (Loss)	Fair Value	Realized Gain
Mutual Funds and Exchange Traded Products	\$ 1,492,783	\$ 122,962	\$ 1,615,745	\$ 13,988
Common Stocks	<u>1,428</u>	<u>(175)</u>	<u>1,253</u>	<u>-</u>
Total	<u>\$ 1,494,211</u>	<u>\$ 122,787</u>	<u>\$ 1,616,998</u>	<u>\$ 13,988</u>

Seatuck Environmental Association, Inc.
Notes to Financial Statements
December 31, 2022

Note 2 Investments (Continued)

December 31, 2021

	Cost	Net Unrealized Gain	Fair Value	Realized Gain
Mutual Funds and Exchange Traded Products	\$ 1,529,095	\$ 467,266	\$ 1,996,361	\$ 42,572
Common Stocks	<u>1,428</u>	<u>1,268</u>	<u>2,696</u>	<u>-</u>
Total	<u>\$ 1,530,523</u>	<u>\$ 468,534</u>	<u>\$ 1,999,057</u>	<u>\$ 42,572</u>

The following summarizes investment income:

	2022	2021
Interest and Dividends	\$ 55,428	\$ 37,757
Capital Gain Distributions	25,132	42,884
Realized Gains	13,988	42,572
Unrealized Gains (Losses)	(347,307)	115,930
Investment Expenses	<u>(15,033)</u>	<u>(15,903)</u>
Net Investment Income (Loss)	<u>(\$ 267,792)</u>	<u>\$ 223,240</u>

ASC Topic 820, "Fair Value Measurements and Disclosures," establishes a three-level valuation hierarchy of fair value measurements. These valuation techniques are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments at the reporting date.

Level 2: Valuations are based on (a) quoted prices for similar investments, in active markets, or (b) quoted prices for similar investments, in markets that are not active, or (c) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.

Seatuck Environmental Association, Inc.
Notes to Financial Statements
December 31, 2022

Note 2 Investments (Continued)

Level 3: Valuations are based on pricing inputs that are unobservable and include situations where there is little, if any, market activity for the investments, or the investments cannot be independently valued.

The following tables summarize the fair values of the Organization's investments at December 31, 2022 and 2021, in accordance with the ASC Topic 820 valuation levels:

December 31, 2022:

	Level 1	Level 2	Level 3	Total	Investments at NAV	Total
Mutual Funds and Exchange Traded Products	\$1,615,745	\$ -	\$ -	\$1,615,745	\$ -	\$1,615,745
Common Stock	<u>1,253</u>	<u>-</u>	<u>-</u>	<u>1,253</u>	<u>-</u>	<u>1,253</u>
Total	<u>\$1,616,998</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,616,998</u>	<u>\$ -</u>	<u>\$1,616,998</u>

December 31, 2021:

	Level 1	Level 2	Level 3	Total	Investments at NAV	Total
Mutual Funds and Exchange Traded Products	\$1,996,361	\$ -	\$ -	\$1,996,361	\$ -	\$1,996,361
Common Stock	<u>2,696</u>	<u>-</u>	<u>-</u>	<u>2,696</u>	<u>-</u>	<u>2,696</u>
Total	<u>\$1,999,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,999,057</u>	<u>\$ -</u>	<u>\$1,999,057</u>

Seatuck Environmental Association, Inc.
Notes to Financial Statements
December 31, 2022

Note 3 Property and Equipment

Property and equipment, at cost, is summarized as follows as at December 31, 2022 and 2021, respectively:

	Depreciable Life	
Computer and Office Equipment	5 years	
Furniture and Fixtures	7 years	
Monitoring Equipment	3 – 7 years	
Equipment	5 – 10 years	
Contracted Facility Improvements	The lesser of 15 years or the remaining life of the contracted facility	
	2022	2021
Computer and Office Equipment	\$ 9,587	\$ 9,587
Furniture and Fixtures	1,643	1,643
Equipment	109,386	109,386
Contracted Facility Improvements	<u>145,854</u>	<u>145,854</u>
Total Assets	266,470	266,470
Accumulated Depreciation	<u>181,576</u>	<u>158,604</u>
Net Property and Equipment	<u>\$ 84,894</u>	<u>\$107,866</u>

Note 4 Debt

Paycheck Protection Program Loan Payable

The Organization received two loans in 2020 and 2021 from TD Bank totaling \$209,128 under the Paycheck Protection Program (PPP), administered by the SBA. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provided for loans to those whom qualify based on historical payroll expenses. The loans and related accrued interest were forgivable as long as the borrower used the loan proceeds to pay eligible expenses and maintained its payroll levels.

The Organization used its PPP loan proceeds for purposes consistent with the PPP and as such received forgiveness of 100% of the loans and related interest in 2021 resulting in grant income in the year ended December 31, 2021.

Economic Injury Disaster Loan

In July 2020 the Organization received a loan in the amount of \$150,000 from the SBA under the EIDL program as a result of the negative effects of the coronavirus (COVID-19). The loan is repayable over 30 years in monthly installments of \$641, beginning July 5, 2021, and accrues interest at 2.75%. To partially minimize the accrual of interest the Organization began repayments during 2020, which will result in the loan being repaid in somewhat less than 30 years.

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Note 4 Debt (Continued)

The long-term portion of this obligation matures as follows:

For the Year Ending December 31,	Amount
2024	\$ 3,870
2025	3,978
2026	4,088
2027	4,202
2028	4,319
Thereafter	<u>120,298</u>
Total	<u>\$ 140,755</u>

Note 5 Retirement Plans

During the years ended December 31, 2022 and 2021, the Company has a retirement plan which employees are eligible to contribute to after an initial waiting period. Contributions are made by the Organization under its discretion.

Note 6 Rental Income

Included in rental income is income from subleases for the caretakers of the facilities totaling \$19,200 and \$18,100, for the years ended December 31, 2022 and 2021, respectively. There are no agreements in place with the Organization relative to these rentals as it does not own the property and as such they are treated as month-to-month rentals. As the Organization maintains the Scully Estate and does not own, or lease, the asset the rent for the Scully Estate is essentially the maintenance of the property. Accordingly, there is no asset generating this income recorded on the books of the Organization. There is also no leased asset generating rent expense nor any future lease commitment.

Note 7 Commitments and Contingencies

SIPC Insurance Limits

The Organization had investment balances in excess of Securities Investment Protection Corporation (SIPC) limits as at December 31, 2022 and 2021 of \$1,116,998 and \$1,499,057, respectively.

Income Taxes

The Organization is exempt from income taxes under section 501(c)(3). The Organization continues to remain subject to examination by U.S. federal authorities and New York State for the years 2019 through 2022. The Organization does not believe it has any uncertain tax positions taken on its various income tax returns, and as such the Organization has not recorded a liability in accordance with the accounting codification under ASC Topic 740.

Subsequent Events

Management has evaluated subsequent events through November 9, 2023, the date the financial statements were available to be issued.

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Note 8 Related Party Transactions

The members of the Board of Directors donated for events or general contributions a total of \$3,240 and \$8,910 for the years ended December 31, 2022 and 2021, respectively.

The Organization hired members of the Board of Directors as independent contractors to run certain educational programming. Payments to Board members amounted to \$504 and \$3,675, for the years ended December 31, 2022 and 2021, respectively.

Board members were reimbursed for Organizational expenses totaling \$454 and \$133, for the years ended December 31, 2022 and 2021, respectively.

Note 9 Liquidity and Availability

Financial assets, without donor or other restrictions limiting their use, that are available for general expenditure within one year of the statement of financial position date, comprise the following at December 31, 2022 and 2021:

	2022	2021
Financial assets at year-end:		
Cash	\$ 339,461	\$ 288,642
Contributions and Accounts Receivable at estimated realizable amount	14,755	10,792
Investments	<u>1,616,998</u>	<u>1,999,057</u>
Total Financial Assets	1,971,214	2,298,491

Less assets unavailable for general expenditures within one year, due to:

 Contractual (including interest) or donor-imposed restrictions:

 Contractual Commitments:

Notes Payable	(3,765)	(3,346)
Donor Restrictions	(132,900)	(135,000)
Board Designations	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,834,549</u>	<u>\$ 2,160,145</u>

As part of Seatuck Environmental Association, Inc.'s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.