

Caribbean Conservation Corporation, Inc.

Financial Statements And Independent Auditors' Report

December 31, 2008 and 2007

CONTENTS

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS:	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	5
Statements of Functional Expenses	6
Notes to Financial Statements	10
SUPPLEMENTAL INFORMATION:	
Schedule of Indirect Cost Rate Calculation	19
Schedule of Expenditures of State Financial Assistance	20
ADDITIONAL REQUIRED ELEMENTS:	
Management Letter	21
Report on Internal Control over Financial Reporting and on Compliance and Other Matters	22
Report on Compliance with Requirements Applicable to the Major Project and on Internal Control over Compliance in Accordance with the Rules of the Auditor General of the State of Florida	23
Schedule of Findings and Questioned Cost	25

Kattell and Company, P.L.

Serving the Nonprofit Community

808-B NW 16th Avenue

Gainesville, Florida 32601

TEL: 352-395-6565

FAX: 352-395-6636

www.kattell.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Caribbean Conservation Corporation, Inc.
Gainesville, Florida

We have audited the accompanying statements of financial position of Caribbean Conservation Corporation, Inc. (the Corporation) as of December 31, 2008 and 2007, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caribbean Conservation Corporation, Inc., as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2009 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.650, Rules of the Auditor General, and is not a required part of the basic financial statements. Additionally, the Schedule of Indirect Cost Rate Calculation is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kattell and Company, P.L.

August 21, 2009
Gainesville, Florida

"Not everything that counts can be counted, and not everything that can be counted counts."
- Albert Einstein

Statements of Financial Position
December 31, 2008 and 2007
Caribbean Conservation Corporation, Inc.

Assets	<u>2008</u>	<u>2007</u>
Cash	\$ 481,463	\$ 651,396
Advances	500	780
Receivables	187,321	119,015
Prepays & Deposits	10,695	3,440
Inventories	37,172	20,656
Assets Restricted to Long-Term Purposes:		
Cash and Equivalents	251,696	221,522
Investments	1,807,545	2,335,201
Structures and Equipment, Net	310,307	329,814
Land	20,300	20,300
Total Assets	<u>\$ 3,106,999</u>	<u>\$ 3,702,124</u>

Liabilities and Net Assets		
Liabilities:		
Accounts Payable	\$ 54,576	\$ 78,772
Accrued Liabilities	48,618	36,746
Agency Deposits – Turtle Spotters	64,946	56,922
Total Liabilities	168,140	172,440
Net Assets:		
Unrestricted	312,787	307,703
Temporarily Restricted	574,090	672,346
Permanently Restricted	2,051,982	2,549,635
Total Net Assets	2,938,859	3,529,684
Total Liabilities and Net Assets	<u>\$ 3,106,999</u>	<u>\$ 3,702,124</u>

See accompanying notes.

Statement of Activities
For the Year Ended December 31, 2008
Caribbean Conservation Corporation, Inc.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>Support</u>				
Government Grants	\$ 50,008	\$ 612,091	\$ --	\$ 662,099
Non-Government Grants	25,479	192,671	--	218,150
Contributions	166,396	113,746	8,632	288,774
Membership Dues	227,822	--	--	227,822
In-Kind Contributions	6,871	--	--	6,871
Net Assets Released from Restrictions:				
Donor Restriction Released	--	100,000	(100,000)	--
Purpose Restrictions Satisfied	<u>1,116,764</u>	<u>(1,116,764)</u>	<u>--</u>	<u>--</u>
Total Support	1,593,340	(98,256)	(91,368)	1,403,716
<u>Revenues</u>				
Program Revenues	206,607	--	--	206,607
Sales and Rentals	112,599	--	--	112,599
Interest on Deposits	11,100	--	--	11,100
Investment Income, Net of Fees	11,424	--	2,150	13,574
Royalties	2,409	--	--	2,409
Other	<u>9,247</u>	<u>--</u>	<u>--</u>	<u>9,247</u>
Total Revenues	<u>353,386</u>	<u>--</u>	<u>2,150</u>	<u>355,536</u>
Total Support and Revenues	1,946,726	(98,256)	(89,218)	1,759,252
<u>Expenses</u>				
Program Services:				
Tortuguero Research and Conservation	530,086	--	--	530,086
Panama Research and Conservation	141,442	--	--	141,442
International Programs	156,665	--	--	156,665
Florida Programs	656,608	--	--	656,608
Barrier Island Center	150,674	--	--	150,674
Supporting Activities:				
General and Administrative	112,850	--	--	112,850
Development	161,233	--	--	161,233
Costs of Merchandise Sales	<u>29,212</u>	<u>--</u>	<u>--</u>	<u>29,212</u>
Total Expenses	<u>1,938,770</u>	<u>--</u>	<u>--</u>	<u>1,938,770</u>
Excess of Support and Revenues Over Expenses	7,956	(98,256)	(89,218)	(179,518)
Net Investment Loss	<u>(2,872)</u>	<u>--</u>	<u>(408,435)</u>	<u>(411,307)</u>
Change in Net Assets	5,084	(98,256)	(497,653)	(590,825)
Net Assets, January 1, 2008	<u>307,703</u>	<u>672,346</u>	<u>2,549,635</u>	<u>3,529,684</u>
Net Assets, December 31, 2008	<u>\$ 312,787</u>	<u>\$ 574,090</u>	<u>\$2,051,982</u>	<u>\$ 2,938,859</u>

See accompanying notes.

Statement of Activities
For the Year Ended December 31, 2007
Caribbean Conservation Corporation, Inc.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support				
Government Grants	\$ 76,577	\$ 610,096	\$ --	\$ 686,673
Non-Government Grants	70,880	233,120	--	304,000
Contributions	129,745	--	260,025	389,770
Membership Dues	220,963	--	--	220,963
In-Kind Contributions	1,890	--	--	1,890
Net Assets Released from Restrictions:				
Donor Restriction Released	--	15,000	(15,000)	--
Purpose Restrictions Satisfied	763,833	(763,833)	--	--
Total Support	1,263,888	94,383	245,025	1,603,296
Revenues				
Program Revenues	171,238	--	--	171,238
Sales and Rentals	74,580	--	--	74,580
Interest on Deposits	16,944	--	--	16,944
Investment Income, Net of Fees	--	--	5,936	5,936
Royalties	289	--	--	289
Other	4,187	--	--	4,187
Total Revenues	267,238	--	5,936	273,174
Total Support and Revenues	1,531,126	94,383	250,961	1,876,470
Expenses				
Program Services:				
Tortuguero Research and Conservation	461,491	--	--	461,491
Panama Research and Conservation	147,062	--	--	147,062
International Programs	128,451	--	--	128,451
Florida Programs	606,850	--	--	606,850
Supporting Activities:				
General and Administrative	108,838	--	--	108,838
Development	147,841	--	--	147,841
Costs of Merchandise Sales	29,841	--	--	29,841
Total Expenses	1,630,374	--	--	1,630,374
Excess of Support and Revenues Over Expenses	(99,248)	94,383	250,961	246,096
Net Investment Gain/(Loss)	1,917	--	(103,641)	(101,724)
Change in Net Assets	(97,331)	94,383	147,320	144,372
Net Assets, January 1, 2007	405,034	577,963	2,402,315	3,385,312
Net Assets, December 31, 2007	\$ 307,703	\$ 672,346	\$ 2,549,635	\$ 3,529,684

See accompanying notes.

Statements of Cash Flows
For the Years Ended December 31, 2008 and 2007
Caribbean Conservation Corporation, Inc.

	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities:		
Contributions, Grants, and Dues	\$ 1,319,907	\$ 2,337,344
Sales and Rentals	112,599	74,580
Program Revenues	214,631	228,160
Interest and Dividends Received	41,571	7,562
Royalties and Other	8,840	4,477
Expenditures	<u>(1,963,013)</u>	<u>(1,582,307)</u>
Net Cash Provided by Operating Activities	(265,465)	1,069,816
Cash Flows from Investing Activities:		
Investments Liquidated	137,111	150,128
Investments Purchased	--	(2,411,009)
Cash from Sale of Equipment	4,040	--
Purchase of Structures and Equipment	<u>(24,077)</u>	<u>(4,950)</u>
Net Cash Provided By Investing Activities	117,074	(2,265,831)
Cash Flows from Financing Activities:		
Contribution for Long Term Investment	8,632	245,025
Repayment on Line-of-Credit	<u>--</u>	<u>(89,000)</u>
Net Cash Provided By Financing Activities	8,632	156,025
Net Change in Cash and Equivalents	(139,759)	(1,039,990)
Cash, Beginning of Year	<u>872,918</u>	<u>1,912,908</u>
Cash, End of Year	<u>\$ 733,159</u>	<u>\$ 872,918</u>

Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities:

Change in Net Assets	\$ (590,825)	\$ 144,372
Adjustments:		
Depreciation	42,360	24,408
Investment Income Reinvestments	(20,762)	(55,686)
Contribution for Long Term Investment	(8,632)	(245,025)
Net (Gains) / Loss on Investments	411,307	104,981
Gain on Sale of Equipment	(2,816)	--
Change in:		
Advances	280	236
Receivables	(68,306)	(55,292)
Prepays	(7,255)	3,462
Inventories	(16,516)	(761)
Pledges Receivable	--	1,034,365
Accounts Payable	(24,196)	48,678
Accrued Liabilities	11,872	9,156
Agency Deposits	<u>8,024</u>	<u>56,922</u>
Net Cash Provided by Operating Activities	<u>\$ (265,465)</u>	<u>\$ 1,069,816</u>

See accompanying notes.

Statement of Functional Expenses
For the Year Ended December 31, 2008
Caribbean Conservation Corporation, Inc.

	Program Services			
	Tortuguero Research and Conservation	Panama Research and Conservation	International Programs	Florida Programs
Communications	\$ 4,746	\$ 2,441	\$ 1,396	\$ 8,259
Cost of Items Sold	22,625	--	--	--
Depreciation	28,985	2,140	517	5,513
Equipment and Facilities Operations, Repairs and Maintenance, and Security	37,917	7,817	--	732
Food	45,332	17,396	2,476	--
Grants	3,000	--	--	306,183
Insurance	6,995	--	--	--
Interest	--	--	--	--
Legal and Professional	5,874	--	--	499
Materials and Supplies	18,758	4,083	4,293	8,396
Miscellaneous	496	208	--	340
Office Expenses	6,170	1,214	810	388
Payroll and Personnel	222,582	61,427	99,072	239,250
Postage and Freight	15,241	340	6,037	7,260
Printing and Publications	12,656	571	5,890	38,994
Rent and Facilities Use	6,842	1,985	1,826	7,361
Satellite Transmitter Airtime	--	4,752	3,742	1,083
Tagging Supplies and Payments	6,290	4,978	8,859	4,205
Technical Consultants	41,666	19,406	7,410	10,000
Training	411	1,936	--	--
Travel, Conferences, Meetings	31,897	10,497	13,933	16,553
Utilities	11,603	251	404	1,592
 Total Expenses Reported by Function on the Statement of Activities	 530,086	 141,442	 156,665	 656,608
 Investment Fees – Reported Net of Investment Income	 --	 --	 --	 --
 Total Expenses Reported by Function	 <u>\$ 530,086</u>	 <u>\$ 141,442</u>	 <u>\$ 156,665</u>	 <u>\$ 656,608</u>

See accompanying notes.

Program Services		Supporting Activities				
Barrier Island Center	Total Program Services	General and Administrative	Development	Costs of Sales	Total Supporting Activities	Total Expenses
\$ 1,237	\$ 18,079	\$ 3,800	\$ 5,180	\$ 116	\$ 9,096	\$ 27,175
33,348	55,973	--	--	8,669	8,669	64,642
938	38,093	978	3,289	--	4,267	42,360
283	46,749	244	1,249	115	1,608	48,357
--	65,204	--	--	--	--	65,204
--	309,183	--	--	--	--	309,183
--	6,995	3,392	15	--	3,407	10,402
--	--	153	--	--	153	153
--	6,373	11,400	--	--	11,400	17,773
9,296	44,826	3,097	15,312	522	18,931	63,757
--	1,044	3,000	--	9	3,009	4,053
1,968	10,550	1,188	8,198	1,137	10,523	21,073
89,508	711,839	70,831	80,238	10,717	161,786	873,625
2,737	31,615	363	16,447	4,148	20,958	52,573
3,762	61,873	519	20,424	3,211	24,154	86,027
3,099	21,113	3,716	3,242	350	7,308	28,421
--	9,577	--	--	--	--	9,577
--	24,332	--	--	--	--	24,332
--	78,482	3,751	308	--	4,059	82,541
--	2,347	--	--	--	--	2,347
3,792	76,672	5,607	6,594	141	12,342	89,014
706	14,556	811	737	77	1,625	16,181
150,674	1,635,475	112,850	161,233	29,212	303,295	1,938,770
--	--	37,659	--	--	37,659	37,659
<u>\$ 150,674</u>	<u>\$ 1,635,475</u>	<u>\$ 150,509</u>	<u>\$161,233</u>	<u>\$ 29,212</u>	<u>\$ 340,954</u>	<u>\$1,976,429</u>

Statement of Functional Expenses
For the Year Ended December 31, 2007
Caribbean Conservation Corporation, Inc.

	Program Services			
	Tortuguero Research and Conservation	Panama Research and Conservation	International Programs	Florida Programs
Advertising and Publicity	\$ 415	\$ --	\$ --	\$ 5,299
Communications	4,528	3,734	1,450	7,869
Cost of Items Sold	28,067	--	--	--
Depreciation	22,815	1,913	306	5,879
Equipment and Facilities Operations, Repairs and Maintenance, and Security	35,084	6,367	306	1,419
Food	36,538	14,102	240	--
Grants	1,201	--	9,440	255,650
Insurance	6,545	--	--	--
Interest	--	--	--	--
Legal and Professional	4,225	--	--	3,168
Materials and Supplies	20,582	3,000	354	16,677
Miscellaneous	19,147	40	--	1,206
Office Expenses	3,514	970	889	3,307
Payroll and Personnel	161,507	53,808	75,867	213,508
Postage and Freight	16,691	1,437	4,814	8,662
Printing and Publications	13,207	2,181	5,539	15,411
Rent and Facilities Use	5,912	1,811	1,951	8,976
Satellite Transmitter Airtime	--	8,799	--	--
Tagging Supplies and Payments	7,779	6,082	8,459	--
Technical Consultants	34,664	21,955	7,257	32,000
Training	53	2,931	--	--
Travel, Conferences, Meetings	28,920	17,815	11,190	26,018
Utilities	10,097	117	389	1,801
Total Expenses Reported by Function on the Statement of Activities	461,491	147,062	128,451	606,850
Investment Fees – Reported Net of Investment Income	--	--	--	--
Total Expenses Reported by Function	<u>\$ 461,491</u>	<u>\$ 147,062</u>	<u>\$ 128,451</u>	<u>\$ 606,850</u>

See accompanying notes.

Total Program Services	Supporting Activities			Total Supporting Activities	Total Expenses
	General and Administrative	Development	Costs of Sales		
\$ 5,714	\$ --	\$ --	\$ --	\$ --	\$ 5,714
17,581	2,968	3,514	209	6,691	24,272
28,067	--	--	12,000	12,000	40,067
30,913	1,274	3,577	--	4,851	35,764
43,176	445	522	119	1,086	44,262
50,880	--	--	--	--	50,880
266,291	--	--	--	--	266,291
6,545	3,219	--	--	3,219	9,764
--	709	--	--	709	709
7,393	11,400	--	--	11,400	18,793
40,613	1,931	13,777	522	16,230	56,843
20,393	--	--	--	--	20,393
8,680	1,130	7,318	1,062	9,510	18,190
504,690	59,249	76,859	10,411	146,519	651,209
31,604	3,626	11,485	2,399	17,510	49,114
36,338	1,172	18,311	1,936	21,419	57,757
18,650	3,942	3,746	425	8,113	26,763
8,799	--	--	--	--	8,799
22,320	--	--	--	--	22,320
95,876	8,422	1,943	--	10,365	106,241
2,984	--	--	--	--	2,984
83,943	8,572	6,043	674	15,289	99,232
12,404	779	746	84	1,609	14,013
1,343,854	108,838	147,841	29,841	286,520	1,630,374
--	40,368	--	--	40,368	40,368
<u>\$ 1,343,854</u>	<u>\$ 149,206</u>	<u>\$ 147,841</u>	<u>\$ 29,841</u>	<u>\$ 326,888</u>	<u>\$ 1,670,742</u>

Notes to Financial Statements
December 31, 2008 and 2007
Caribbean Conservation Corporation, Inc.

NOTE 1 – Summary of Significant Accounting Policies

Entity

Caribbean Conservation Corporation, Inc., the Corporation, is a nonprofit corporation organized under the Florida Not-For-Profit Corporation Act. The Corporation is operated exclusively for charitable, scientific and educational purposes; primarily the study, conservation and preservation of marine sea turtles and tropical habitat.

Tax Status

The Corporation is exempt from income taxes according to the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, the Corporation has been classified by the Internal Revenue Service as an organization that is not a private foundation and qualifies for the charitable contribution deduction.

The Corporation has not earned any unrelated business taxable income and, accordingly, the accompanying financial statements do not include a provision for income taxes. The Corporation has elected to defer the application of Financial Accounting Standards Board Interpretation No. 48, Accounting for Uncertainty in Income Taxes, until the fiscal year beginning January 1, 2009. The Corporation has not taken any uncertain tax positions and, therefore, has no policy for evaluating them.

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting.

Cash

Cash consists of cash on hand, checking, savings, money market accounts and certificates of deposit with original maturities of less than three months, if any.

Advances

Advances represent unexpended amounts of cash controlled by employees or technical consultants. The cash is advanced to enable personnel to pay travel expenses or to conduct remote field operations.

Receivables

Receivables include contributions, contract billings for services performed, and other receivables. There are no identifiable concentrations of credit risk related to these amounts. The Corporation records receivables at net realizable value using the allowance method. No allowance is provided since all receivables are deemed fully collectible.

Inventories

Inventories, consisting of supplies and donor gifts, are stated at the lower of cost or market using the first-in, first-out (FIFO) method of determining cost.

Investments

Investments are reported at fair value. The Corporation invests only in debt and equity securities with readily determinable fair values. Fair value is determined by reference to quoted prices in active markets for identical assets and other relevant information generated by market transactions (also known as Level 1 of the fair value hierarchy).

The Corporation's investment objectives are to:

- (1) protect in perpetuity the purchasing power of endowment principal;
- (2) achieve superior long-term investments through a diversified portfolio; and
- (3) ensure a predictable and inflation-adjusted level of spending for programs and activities.

Notes to Financial Statements
December 31, 2008 and 2007
Caribbean Conservation Corporation, Inc.

NOTE 1 – Summary of Significant Accounting Policies (continued)

Investments (concluded)

The Corporation seeks to achieve a long-term average annual rate of return between 8% and 9%, an amount sufficient to provide for inflation and a 4% annual spending rule. Return will be measured based on total return, which includes investment income (interest and dividends) and realized and unrealized appreciation. To achieve the above objectives, the Corporation will invest from 65% to 75% of its portfolio in equities and from 25% to 35% in fixed income securities. Investments should seek broad market diversification and flexible reallocation to reflect varying market conditions.

Land, Structures and Equipment

Land, structures and equipment over \$500 are valued at cost if purchased, or estimated fair value at the date of donation. Structures and equipment are depreciated using the straight-line method over estimated useful lives of 25 and 5 years, respectively.

Agency Deposits – Turtle Spotters

The Corporation holds funds as an agent on behalf of the Turtle Spotters Program, a local initiative in Tortuguero, Costa Rica. The Corporation receives funds from the sale of stickers to tourists by hotels. The stickers allow the tourists access to guided tours of turtle nesting activities. A committee of local representatives approves the use of the funds, which are used, in large part, to fund the Corporation's Turtle Spotter Coordination activities. However, funds may be used to pay for activities that are not provided by the Corporation. When funds are used to pay for the Corporation's programs, revenues are recognized to the extent that expenditures are incurred, and the liability is reduced. If funds are used to support programs provided by other entities, the liability is reduced, but no revenue or expense is recognized.

Net Assets

The Corporation's net assets, the excess of assets over liabilities, are reported in three mutually exclusive classes:

Permanently Restricted - Those net assets resulting from inflows of assets whose use is limited by donor-imposed restrictions which do not expire by passage of time or can not be fulfilled by actions of the Corporation.

Temporarily Restricted - Those net assets resulting from inflows of assets whose use is limited by donor-imposed restrictions, which expire by passage of time or are fulfilled by actions of the Corporation.

Unrestricted - Those net assets that are neither permanently or temporarily restricted.

Endowment Funds

Generally accepted accounting principles define an endowment fund as an established fund of cash, securities or other assets to provide income for the maintenance of a not-for-profit organization (NPO). The use of the assets of the fund may be permanently or temporarily restricted based on 1) the presence or absence of donor restrictions, or 2) the provisions of state law. (Florida has no specific law which governs the operations and maintenance of the Corporation's endowment funds.) In addition, the Board of a NPO may earmark a portion of its unrestricted net assets as a board-designated endowment to be invested to provide income for the NPOs operations and programs. The Corporation does not currently hold any board designated endowments.

Notes to Financial Statements
December 31, 2008 and 2007
Caribbean Conservation Corporation, Inc.

NOTE 1 – Summary of Significant Accounting Policies (continued)

Endowment Funds (concluded)

The Corporation's endowment assets are held in two funds. The donor to the Emily T. Clay Scientific Director Endowment provided clear direction on the use of endowed assets as more fully described in Note 6. The General Endowment consists of contributions from a variety of donors who have provided no restrictions on the use of endowment return. However, as discussed above under Investments, the Corporation annually appropriates for expenditure 4% of the average asset balance from the 12 previous quarters.

Revenue Recognition

Measurement - Contributions are measured at fair value at the date of donation.

Contributed Services and Facilities - Contributions of facilities, if any, are recorded at their estimated fair values on the date the contribution is received. Contributions of services are recognized when received if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Although the Corporation received significant contributions of time from its Board of Directors, none of these services were recorded since they did not meet the criteria for recognition.

Donor Restrictions - The Corporation 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. However, donor-restricted contributions whose restrictions are met within the same fiscal year are reported as unrestricted support. 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."

Program Service Revenue - Program service revenues are earned and recognized at the time the service is rendered.

Promises to Give

The Corporation provides grants to various organizations under the State of Florida Sea Turtle Grants Program, a program of the Sea Turtle Survival League (see Note 5). The contracts for these grants provide for initial payment upon approval of the award and for subsequent payments after the Corporation receives agreed upon deliverables. These subsequent payments are considered conditional promises to give and are recorded when the deliverables are met.

Expense Allocation

Expenses are allocated to the various functional categories based on the purpose achieved by each expenditure. Payroll expenses of employees whose time may benefit more than one activity are allocated based on percentage of time devoted to each function. Rent and utilities of the administrative offices in Gainesville, Florida, are allocated based on the percentage of time employees devote to each function.

Notes to Financial Statements
December 31, 2008 and 2007
Caribbean Conservation Corporation, Inc.

NOTE 1 – Summary of Significant Accounting Policies (concluded)

Expense Classifications

- Tortuguero Research and Conservation - Programs to ensure that the town of Tortuguero, Costa Rica, and its associated biological diversity remain intact. This includes tagging and educational activities, research grants, fellowships and other related expenses.
- Panama Research and Conservation - A collaborative sea turtle research and conservation initiative based at Chiriqui Beach on Panama's north Caribbean coast. Modeled after CCC's Tortuguero program, the purpose of the Panama Project is to study, protect and recover local populations of leatherback and hawksbill turtles, both of which nest in globally significant numbers on Chiriqui Beach.
- International Programs - These programs protect sea turtles by expanding conservation, education and policy activities in a variety of activities throughout the world.
- Florida Programs - Networking, education, advocacy and grants programs based in the United States to eliminate threats facing sea turtles and to preserve nesting and feeding habitats.
- Barrier Island Center – The Barrier Island Center (BIC) is an educational center located in the heart of the Archie Carr Refuge (the Refuge) in Melbourne, Florida. The Refuge is a major nesting site for sea turtles. The BIC provides a focal point for the Refuge and the associated barrier island by providing exhibit space, a presentation hall, a small research library and ongoing educational programs that promote stewardship of the area's fragile natural resources. Through a partnership with the Brevard County Environmentally Endangered Lands Program, the Corporation manages and conducts the educational programs offered at the BIC, and manages a small gift shop.
- General and Administrative - all expenses required to conduct the affairs of the Corporation which are not allocable to other functional areas.
- Development Expenses - fund-raising and public relations efforts.
- Costs of Sales - includes acquisition costs of items sold and other direct costs of merchandise sales that are not program related as well as costs of direct donor benefits of special fund raising events, if any.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual results could vary from the estimates that were used.

Reclassifications

Some of the prior-year comparative information may have been reclassified to conform to the current year's presentation.

NOTE 2 – Receivables

Receivables consist of the following:

	<u>2008</u>	<u>2007</u>
Unrestricted Contributions	\$ 151,225	\$ 34,150
Grants	33,936	84,492
Other	2,160	373
Totals	<u>\$ 187,321</u>	<u>\$ 119,015</u>

Notes to Financial Statements
December 31, 2008 and 2007
Caribbean Conservation Corporation, Inc.

NOTE 3 – Structures and Equipment

Structures and Equipment consists of the following:

	<u>2008</u>	<u>2007</u>
Structures	\$ 533,130	\$ 533,130
Equipment	<u>269,192</u>	<u>266,592</u>
Total	802,322	799,722
Accumulated Depreciation	<u>(492,015)</u>	<u>(469,908)</u>
Net	<u>\$ 310,307</u>	<u>\$ 329,814</u>

All of the structures and approximately 62% of the equipment are located in Costa Rica.

NOTE 4 – Investments

The following provides a summary of amounts held in investment accounts:

	<u>Investments</u>	<u>Cash</u>	<u>Total</u>
2008			
Winslow Green Growth Fund	\$ 1,223	\$ --	\$ 1,223
Janney Montgomery Scott	250,000	118,759	368,759
Fidelity	<u>708,689</u>	<u>728,874</u>	<u>1,437,563</u>
Totals	<u>\$ 959,912</u>	<u>\$ 847,633</u>	<u>\$ 1,807,545</u>
2007			
Winslow Green Growth Fund	\$ 3,138	\$ --	\$ 3,138
Janney Montgomery Scott	358,184	109	358,293
Fidelity	<u>1,357,269</u>	<u>616,501</u>	<u>1,973,770</u>
Totals	<u>\$ 1,718,591</u>	<u>\$ 616,610</u>	<u>\$ 2,335,201</u>

Investments are comprised of the following:

	<u>2008</u>	<u>2007</u>
Certificates of Deposit	\$ 250,000	\$ 100,000
Mutual Funds - Debt	--	33,184
Mutual Funds - Equity	119,982	225,000
Equity Securities	<u>589,930</u>	<u>1,360,407</u>
Total	<u>\$ 959,912</u>	<u>\$ 1,718,591</u>

Investment return consists of the following:

	<u>2008</u>	<u>2007</u>
Investment Income	\$ 51,233	\$ 46,304
Net Investment Gains/(Losses)	(411,307)	(101,724)
Management and Investment Fees	(37,659)	(40,368)
Net Investment Return	<u>\$ (397,733)</u>	<u>\$ (95,788)</u>

Investment return is reported in the statements of activities as follows:

	<u>2008</u>	<u>2007</u>
Investment Income	\$ 13,574	\$ 5,936
Gain/(Loss)	(411,307)	(101,724)
Net Investment Return	<u>\$ (397,733)</u>	<u>\$ (95,788)</u>

Notes to Financial Statements
December 31, 2008 and 2007
Caribbean Conservation Corporation, Inc.

NOTE 5 – Sea Turtle Grants Program

Section 320.08056(19), Florida Statutes, identifies the Corporation as the recipient of certain fees from the sale of the sea turtle specialty license plate. These fees are to be used to fund sea turtle research and education programs in the following proportions: 75% for grants, 15% administration, and 10% marketing. The Corporation writes and publishes procedures for grant applications and appoints a technical advisory committee to award grants. The following chart displays the activity of these funds:

	<u>Grants</u>	<u>Admin</u>	<u>Marketing</u>	<u>Total</u>
Balance, January 1, 2007	\$ 268,794	\$ 46,005	\$ 46,173	\$ 360,972
State Revenue	417,331	83,466	55,644	556,441
Interest Revenue	2,140	--	--	2,140
Expenses	--	(62,820)	(60,653)	(123,473)
Grants Awarded	<u>(277,770)</u>	<u>--</u>	<u>--</u>	<u>(277,770)</u>
Balance at December 31, 2007	\$ 410,495	\$ 66,650	\$ 41,165	\$ 518,310
State Revenue	394,435	78,887	52,591	525,913
Interest Revenue	4,185	--	--	4,185
Expenses	--	(95,085)	(78,922)	(174,007)
Grants Awarded	<u>(364,706)</u>	<u>--</u>	<u>--</u>	<u>(364,706)</u>
Balance at December 31, 2008	<u>\$ 444,409</u>	<u>\$ 50,452</u>	<u>\$ 14,834</u>	<u>\$ 509,695</u>

The revenues are reported as Temporarily Restricted Support from Governmental Grants and the expenses are reported in the appropriate natural classifications under the Sea Turtle Survival League. At December 31, 2008, the Corporation had signed contracts committing to approximately \$105,000 that will be remitted as deliverables are met. These commitments will be satisfied using temporarily restricted net assets.

NOTE 6 – Donor-Imposed Restrictions

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support:

	<u>2008</u>	<u>2007</u>
Unrestricted - General Endowment	\$ 621,607	\$ 612,975
Emily T. Clay Scientific Director Endowment	<u>1,430,375</u>	<u>1,936,660</u>
Total	<u>\$ 2,051,982</u>	<u>\$ 2,549,635</u>

The donor to the Emily T. Clay Scientific Director Endowment has specified the investments that the fund should hold and has specified the firm that should provide investment management services. In addition, the donor has directed that \$100,000 per year, beginning in 2008, be withdrawn from the investments of the fund to provide operating cash for the expenses of the scientific director position. Because of these restrictions, the Corporation accounts for all activity of the fund as changes in permanently restricted net assets.

Notes to Financial Statements
December 31, 2008 and 2007
Caribbean Conservation Corporation, Inc.

NOTE 6 – Donor-Imposed Restrictions (continued)

Temporarily restricted net assets consist of purpose restrictions for the following activities:

	<u>2008</u>	<u>2007</u>
Tortuguero Research and Conservation:		
J. Phipps – Aerial Surveys	\$ --	\$ 4,942
Goelet Tortuguero Bird Program	330	432
Oxford Society	2,981	2,981
Tortuguero Environmental Program	3,500	--
Emily T. Clay Science Director Chair	6,305	44,294
Panama Research and Conservation:		
Disney Wildlife Conservation Fund	1,322	3,063
International Programs:		
H. Clay Frick Foundation - Bermuda Project	12,485	15,540
Joshua B. Powers Research Fellows	15,642	15,396
Sun Hill Foundation	--	743
Barnes, Andrew & Marion	10,000	--
Barrier Island Center:		
STGP Education & Outreach	2,328	--
Park Foundation	--	5,590
Royal Caribbean Ocean Fund	--	16,789
STGP BIC	--	9,132
Florida Programs:		
Florida Sea Turtle Grants Program	444,409	410,495
Florida Sea Turtle Grants Program: Administrative	50,452	66,650
Florida Sea Turtle Grants Program: Marketing	14,834	41,165
E. O. Dunn Foundation	9,211	19,134
Jelks Family Foundation	--	10,000
Defenders of Wildlife	291	--
WWF Climate Change	--	6,000
Total	<u>\$ 574,090</u>	<u>\$ 672,346</u>

NOTE 7 – Endowment Funds

Endowment funds are classified into the following net asset categories based on the presence or absence of donor-imposed restrictions:

	2007			Totals
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Emily T. Clay Scientific Director Endowment	\$ --	\$ --	\$ 1,936,660	\$ 1,936,660
General Endowment	(6,592)	--	612,975	606,383
Totals – December 31, 2007	<u>\$ (6,592)</u>	<u>\$ --</u>	<u>\$ 2,549,635</u>	<u>\$ 2,543,043</u>
	2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Emily T. Clay Scientific Director Endowment	\$ --	\$ --	\$ 1,430,375	\$ 1,430,375
General Endowment	(9,381)	--	621,607	612,226
Totals – December 31, 2008	<u>\$ (9,381)</u>	<u>\$ --</u>	<u>\$ 2,051,982</u>	<u>\$ 2,042,601</u>

Notes to Financial Statements
December 31, 2008 and 2007
Caribbean Conservation Corporation, Inc.

NOTE 7 – Endowment Funds (concluded)

The changes in endowment fund balances by net asset class are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Balance – December 31, 2006	\$ (9,833)	\$ --	\$ 2,402,315	\$2,392,482
Interest/Investment Income (net of expenses)	13,248	--	5,936	19,184
Net Gain/(Loss)	1,917	--	(103,641)	(101,724)
Contributions	--	--	260,025	260,025
Spending Appropriation	(11,924)	--	--	(11,924)
Donor Release from Restrictions	--	--	(15,000)	(15,000)
Balance – December 31, 2007	(6,592)	--	2,549,635	2,543,043
Interest/Investment Income (net of expenses)	15,906	--	2,150	18,056
Net Gain/(Loss)	(2,872)	--	(408,435)	(411,307)
Contributions	--	--	8,632	8,632
Spending Appropriation	(15,823)	--	(100,000)	(115,823)
Balance – December 31, 2008	\$ (9,381)	\$ --	\$ 2,051,982	\$2,042,601

NOTE 8 – Leases

The Corporation executed a lease beginning September 2003 for its office in San Jose, Costa Rica. Under the lease, the monthly payments are 150,000 colones, the local currency in Costa Rica. The lease is for a three-year term with an optional three-year renewal and provides for a 15% increase in monthly rent each year of the lease. Total rent paid for 2008 and 2007 was approximately \$6,365 and \$5,565, respectively. Future minimum rental payments are 3,621,005 Colones for 2009. This represents approximately \$6,560 expressed at the exchange rate in effect at December 31, 2008. Colones could be exchanged for dollars at a rate of \$552 and \$495 to 1 at December 31, 2008 and 2007, respectively.

In addition, the Corporation leases office space in Gainesville, Florida. Gainesville rental payments were \$20,692 and \$20,272 for 2008 and 2007. Beginning January 1, 2007, the corporation entered into a twenty-four month lease agreement with monthly payments of \$1,304.50. On February 1, 2007, a second twenty-three month agreement was entered into for additional office space at the same location with a monthly payment amount of \$419.80. As of January 1, 2009 the Corporation lease is on a month-to-month basis.

NOTE 9 – Defined Contribution Retirement Plan

The Corporation offers a defined contribution retirement plan to all employees who work at least 1,000 hours in a year. The plan operates under Section 403(b) of the Internal Revenue Code. The Corporation contributes 11% of an eligible employee's payroll with complete vesting after three years of service. Total net costs of \$44,470 and \$32,606 are included in payroll and personnel for 2008 and 2007, respectively.

NOTE 10 – Concentrations of Revenue Sources and Credit Risks

For the years ended December 31, 2008 and 2007, approximately 29% and 30%, respectively, of the Corporation's total revenues, gains, and other support were provided by the State of Florida through the Sea Turtle Grant Program.

Cash and Cash Equivalents include cash in federally insured banks and investments in money market funds. At December 31, 2008 and 2007, the Company had approximately \$0 and \$650,000, respectively, in excess of FDIC insured limits. The Company has not experienced any losses in such accounts.

Supplemental Information

**Schedule of Indirect Cost Rate Calculation
For the Year Ended December 31, 2008
Caribbean Conservation Corporation, Inc.**

Indirect Costs:

The Corporation uses the Simplified Allocation Method since its direct costs benefit from indirect costs to approximately the same degree. All indirect costs are classified as General and Administrative expenses in the Statement of Functional Expenses. \$ 112,850

Less Unallowable Costs:

Interest (153)

Total Allowable Indirect Costs \$ 112,697

Distribution Base:

The Corporation uses direct costs as its distribution base. Direct costs include no capital expenditures or other distorting items.

Total Program Services	\$ 1,635,475
Development	161,233
Costs of Sales	<u>29,212</u>
Total Distribution Base	<u>\$1,825,920</u>

Indirect Cost Rate 6.17 %

All amounts from the Statement of Functional Expenses for the year.

**Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2008
Caribbean Conservation Corporation**

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
Department of Environmental Protection	37.070	CZ810	\$ 19,636
Sea Turtle License Plate Project	76.070		<u>538,713</u>
Total Expenditures of State Financial Assistance			<u>\$ 558,349</u>

NOTE 1 – Basis of Presentation

Expenditures consist of allowable costs, determined in accordance with Florida Statute sections 320.08058 and 320.08056 and the Florida Compliance Supplement.

NOTE 2 – Subrecipients

Caribbean Conservation Corporation (the Corporation) has determined that it does not provide state financial assistance to subrecipients. The Corporation made this determination after considering the nature and terms of the contracts with its grant recipients and after consulting the “Florida Single Audit Act Checklist for Non-State Organizations – Recipient/Subrecipient Vs. Vendor Determination” checklist, produced by the Florida Department of Financial Services. Grant recipients are considered “vendors” because grants are based on the provision of deliverables as defined in the grant documents.

MANAGEMENT LETTER

Board of Directors
Caribbean Conservation Corporation, Inc.
Gainesville, Florida

We have audited the financial statements of Caribbean Conservation Corporation, Inc. as of and for the year ended December 31, 2008, and have issued our report thereon dated August 21, 2009.

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, and the Florida Single Audit Act. We have issued our Auditor's Report on Compliance and Internal Control over Financial Reporting, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major State Project, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated August 21, 2009, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.650, Rules of the Auditor General, which requires disclosure in the management letter of violations of provisions of contracts or grant agreements or abuse that have an effect of the financial statements that is less than material but more than inconsequential. In addition, for matters that are inconsequential, considering both quantitative and qualitative factors, the following may be reported based on professional judgment:

- (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and would have an immaterial effect on the financial statements or major State projects;
- (2) improper expenditures or illegal acts that would not materially affect the financial statements or major State projects;
- (3) control deficiencies that are not significant deficiencies, including but not limited to: (a) improper or inadequate accounting procedures (e.g. the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor.

Our audit disclosed the following matter which is required to be disclosed:

Prior Year Findings: The Rules of the Auditor General require that we comment as to whether or not findings reported in the preceding audit have been corrected and recommendations made in the preceding audit report have been followed. In that regard, there were no findings reported in the prior year.

This management letter is intended solely for the information of management and the board of Caribbean Conservation Corporation, Inc., and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Kattell and Company, P.L.

August 21, 2009
Gainesville, Florida

Kattell and Company, P.L.

Serving the Nonprofit Community

808-B NW 16th Avenue Gainesville, Florida 32601 TEL: 352-395-6565 FAX: 352-395-6636 www.kattell.com

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

Board of Directors of
Caribbean Conservation Corporation, Inc.
Gainesville, Florida

We have audited the consolidated financial statements of Caribbean Conservation Corporation, Inc. (the Corporation) as of and for the year ended December 31, 2008, and have issued our report thereon dated August 21, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Corporation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Corporation's financial statements that is more than inconsequential will not be prevented or detected by the Corporation's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Corporation's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Concluding Remarks

This report is intended solely for the information and use of the Board of Directors and management of the Corporation, and applicable state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Kattell and Company, P.L.

August 21, 2009
Gainesville, Florida

Kattell and Company, P.L.

Serving the Nonprofit Community

808-B NW 16th Avenue Gainesville, Florida 32601 TEL: 352-395-6565 FAX: 352-395-6636 www.kattell.com

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR AWARD AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of Directors
Caribbean Conservation Corporation, Inc.
Gainesville, Florida

Compliance

We have audited the compliance of Caribbean Conservation Corporation, Inc. (the Corporation) with the types of compliance requirements described in the Executive Office of the Governor's State Projects Compliance Supplement that are applicable to its major state award for the year ended December 31, 2008. The Corporation's state award is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major state award is the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation's compliance based on our audit.

We conducted our audit of compliance 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, and Chapter 10.650, Rules of the Auditor General. Those standards and the Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state award occurred. An audit includes examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Corporation's compliance with those requirements.

In our opinion, the Corporation complied, in all material respects, with the requirements referred to above that are applicable to its major state project for the year ended December 31, 2008.

Internal Control over Compliance

The management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state awards. In planning and performing our audit, we considered the Corporation's internal control over compliance with the requirements that could have a direct and material effect on a major state award in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a state project on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or state award such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state award that is more than inconsequential will not be prevented or detected by the entity's internal control.

Internal Control over Compliance (concluded)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state project will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above

Concluding Matters

This report is intended solely for the information and use of the Board of Directors, management, and applicable State agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Kattell and Company, P.L.

August 21, 2009
Gainesville, Florida

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2008
Caribbean Conservation Corporation, Inc.**

Section I – Summary of Auditors’ Results

Financial Statements

The auditors’ report expresses an unqualified opinion on the financial statements.

Internal control over financial reporting:

- Material weaknesses identified? NO
- Significant deficiencies identified that are not considered to be material weaknesses? NO

Noncompliance material to financial statements noted? NO

State Awards

Internal control over the major project:

- Material weaknesses identified? NO
- Significant deficiencies identified that are not considered to be material weaknesses? NO

The auditors’ report on compliance expresses an unqualified opinion for the major project.

Any audit findings disclosed that are required to be reported in accordance with Section 10.650, Rules of the Auditor General? NO

Identification of major state project.

CSFA Number
76.070

Sea Turtle License Plate Project

Other Disclosures

Dollar threshold used to distinguish between type A and type B programs: \$300,000

In order to qualify as a “low-risk” auditee, the Corporation will need to complete two successive years of single audits without any material findings. The Corporation does not meet this qualification since this is the first year it has met the requirement to have a State Single Audit.

Section II – Financial Statement Findings

There are no matters identified that are required to be reported.

Section III – Federal Award Findings and Questioned Costs

There are no matters identified that are required to be reported.