

**FRIENDS OF THE VIRGIN ISLANDS  
NATIONAL PARK, INC.  
(A United States Virgin Islands  
Nonprofit Organization)**

**AUDITED FINANCIAL STATEMENTS**

**September 30, 2023**

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.  
(A United States Virgin Islands Nonprofit Organization)**

**TABLE OF CONTENTS**

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5-6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8-22

# Stapleton, Johnson & McDowell, P.A.

CERTIFIED PUBLIC ACCOUNTS

915 Meadowlawn Drive North

St. Petersburg, FL 33702

Phone: (727) 381-1699 Fax: (727) 384-0723

BOARD OF TRUSTEES  
FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.  
ST. JOHN, VIRGIN ISLANDS 00831

## INDEPENDENT AUDITORS' REPORT

### Qualified Opinion

We have audited the accompanying financial statements of Friends of the Virgin Islands National Park, Inc (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Friends of the Virgin Islands National Park, Inc. as of September 30, 2023, and the changes in its net assets and its cash flows for the year then in accordance with accounting principles generally accepted in the United States of America.

### Basis for Qualified Opinion

We did not observe the taking of the physical inventories at September 30, 2023 and 2022 (stated at \$115,468 and \$85,022, respectively). We were unable to obtain sufficient appropriate audit evidence about inventory quantities by other auditing procedures.

We conducted our audits 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 Friends of the Virgin Islands National Park, 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 Friends of the Virgin Islands National Park, 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 Friends of the Virgin Islands National Park, 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 Friends of the Virgin Islands National Park, 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.



STAPLETON, JOHNSON & MCDOWELL, P.A.  
Certified Public Accountants

August 16, 2024

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b><u>Assets</u></b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 159,899	\$ 0	\$ 159,899
Cash and cash equivalents, donor restricted	0	365,293	365,293
Contributions receivable	47,457	0	47,457
Inventory	115,468	0	115,468
Prepaid expenses	8,100	0	8,100
Prepaid income tax	<u>4,162</u>	<u>0</u>	<u>4,162</u>
Total current assets	<u>335,086</u>	<u>365,293</u>	<u>700,379</u>
<b>Other assets</b>			
Investments	2,757,586	0	2,757,586
Property and equipment, net of accumulated depreciation	111,678	0	111,678
Maho Bay Parcel, donor restricted	0	1,313,012	1,313,012
Security deposits	2,526	0	2,526
Operating lease right of use asset	67,538	0	67,538
Endowments			
Investments	<u>0</u>	<u>389,511</u>	<u>389,511</u>
Total other assets	<u>2,939,328</u>	<u>1,702,523</u>	<u>4,641,851</u>
Total assets	<u>\$3,274,414</u>	<u>\$2,067,816</u>	<u>\$5,342,230</u>
<b><u>Liabilities and Members' Equity</u></b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 23,805	\$ 0	\$ 23,805
Payroll liabilities	26,236	0	26,236
Operating lease liability	<u>29,656</u>	<u>0</u>	<u>29,656</u>
Total current liabilities	<u>79,697</u>	<u>0</u>	<u>79,697</u>
<b>Long-term liabilities:</b>			
Operating lease liability	<u>38,105</u>	<u>0</u>	<u>38,105</u>
Total long-term liabilities	<u>38,105</u>	<u>0</u>	<u>38,105</u>
Total liabilities	<u>117,802</u>	<u>0</u>	<u>117,802</u>
Net assets	<u>3,156,612</u>	<u>2,067,816</u>	<u>5,224,428</u>
Total liabilities and net assets	<u>\$3,274,414</u>	<u>\$2,067,816</u>	<u>\$5,342,230</u>

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

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues, Support and Gains</b>			
Program service fees			
Special events	\$ 237,879	\$ 0	\$ 237,879
Donated goods and services	<u>1,346</u>	<u>0</u>	<u>1,346</u>
Total program service fees	239,225	0	239,225
Gift shop sales	344,601	0	344,601
Less cost of goods sold	<u>(168,860)</u>	<u>0</u>	<u>(168,860)</u>
Net gift shop sales	175,741	0	175,741
Membership dues	35,571	0	35,571
Investment return, net	291,833	44,469	336,302
Contributions	389,426	836,695	1,226,121
Donated goods and services	1,105	0	1,105
Special events	311,800	0	311,800
Net assets released from donor restrictions	<u>816,844</u>	<u>(816,844)</u>	<u>0</u>
<b>Total revenue, support and gains</b>	<b>2,261,545</b>	<b>64,320</b>	<b>2,325,865</b>
<b>Expenses</b>			
Program activities	1,594,548	0	1,594,548
Management & general	162,905	0	162,905
Store	176,363	0	176,363
Fundraising	<u>310,783</u>	<u>0</u>	<u>310,783</u>
<b>Total expenses</b>	<b><u>2,244,599</u></b>	<b><u>0</u></b>	<b><u>2,244,599</u></b>
<b>Change in net assets</b>	<b>16,946</b>	<b>64,320</b>	<b>81,266</b>
<b>Net assets at beginning of year</b>	<b><u>3,139,666</u></b>	<b><u>2,003,496</u></b>	<b><u>5,143,162</u></b>
<b>Net assets at end of year</b>	<b><u>\$3,156,612</u></b>	<b><u>\$2,067,816</u></b>	<b><u>\$5,224,428</u></b>

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

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Program Services**

	<b>Program Services</b>			
	<b><u>Natural Resource Protection</u></b>		<b><u>Education</u></b>	
	<b><u>Marine</u></b>	<b><u>Natural</u></b>	<b><u>Connection</u></b>	<b><u>Cultural</u></b>
	<b><u>Resources</u></b>	<b><u>Resources</u></b>	<b><u>Projects</u></b>	<b><u>Preservation</u></b>
Accounting	\$ 2,321	\$ 3,791	\$ 6,671	\$ 1,894
Advertising	2	0	1,227	200
Bank and credit card fees	361	2,630	15	15
Communications	200	327	576	163
Contract services	66,991	127,299	436,016	73,580
Depreciation	0	0	0	0
Employee benefits	2,545	5,193	2,177	868
Employee insurance	9,752	19,896	8,342	3,327
Employee wages	93,038	189,808	79,582	31,742
Entertainment and gifts	0	160	0	0
Gift shop cost of goods sold	0	0	0	0
Insurance	0	0	0	0
Membership and dues	573	575	15	0
Payroll taxes	7,120	14,526	6,091	2,429
Postage and mailing	255	23	161	0
Rent – operating lease	1,408	2,301	4,049	1,149
Repairs and maintenance	726	1,186	2,087	592
Scholarships and grants	41,000	0	23,301	65,122
Supplies-meals and entertainment	118	780	58	17
Supplies-materials	37,771	61,851	108,071	4,080
Supplies-office	406	407	463	2,171
Training and recruitment	379	2,392	1,089	309
Travel	764	1,948	6,606	288
Utilities	<u>35</u>	<u>57</u>	<u>101</u>	<u>29</u>
Total expenses by function	265,765	435,150	686,698	187,975
Less expenses included with revenues on the statement of activities:				
Gift shop cost of goods sold	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<b><u>\$ 265,765</u></b>	<b><u>\$ 435,150</u></b>	<b><u>\$ 686,698</u></b>	<b><u>\$ 187,975</u></b>

**Program Services**

<u>Other Programs</u>	<u>Program Total</u>	<u>Management &amp; General</u>	<u>Store</u>	<u>Fundraising</u>	<u>Total</u>
\$ 191	\$ 14,868	\$ 34,965	\$ 9,912	\$ 12,390	\$ 72,135
0	1,429	0	0	0	1,429
0	3,021	887	12,055	31,457	47,420
246	1,512	2,548	1,956	3,156	9,172
4,416	708,302	6,062	0	70,185	784,549
0	0	0	0	0	0
200	10,983	1,605	3,013	3,116	18,717
767	42,084	6,149	11,542	11,936	71,711
7,320	401,490	58,657	110,107	113,858	684,112
0	160	953	0	1	1,114
0	0	0	168,860	0	168,860
0	0	8,878	0	0	8,878
527	1,690	0	0	2,084	3,774
560	30,726	4,489	8,427	8,714	52,356
0	439	170	6,597	1,144	8,350
116	9,023	9,023	3,008	9,023	30,077
60	4,651	11,462	898	4,651	21,662
0	129,423	0	0	0	129,423
147	1,120	677	0	1,944	3,741
1,022	212,795	6,426	8,682	29,339	257,242
14	3,461	3,134	35	4,544	11,174
31	4,200	3,236	0	2,427	9,863
3,340	12,946	3,359	56	589	16,950
<u>3</u>	<u>225</u>	<u>225</u>	<u>75</u>	<u>225</u>	<u>750</u>
18,960	1,594,548	162,905	345,223	310,783	2,413,459
<u>0</u>	<u>0</u>	<u>0</u>	<u>(168,860)</u>	<u>0</u>	<u>(168,860)</u>
<u>\$ 18,960</u>	<u>\$1,594,548</u>	<u>\$ 162,905</u>	<u>\$ 176,363</u>	<u>\$ 310,783</u>	<u>\$2,244,599</u>

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

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<b>Cash Flows from Operating Activities</b>	
Increase (decrease) in net assets	\$ 81,266
Adjustments to reconcile change in net assets to net cash provided (used) in operating activities:	
Depreciation	0
Realized and unrealized (gain) loss on board designated endowment	(213,615)
Donor restricted endowment net investment return	(44,469)
Contributions restricted to endowment	(14,894)
(Increase) decrease in operating assets	
Contributions receivable	17,543
Inventory	(30,446)
Prepaid expenses	3,670
Security deposits	(154)
Operating lease right of use asset	(67,538)
Increase (decrease) in operating liabilities	
Accounts payable and accrued liabilities	(30,130)
Operating lease liability	<u>67,761</u>
Net cash provided (used) in operating activities	<u>(231,006)</u>
<b>Cash Flows from Investing Activities</b>	
Purchases of board designated endowment investments	(893,796)
Proceeds from sales of board designated endowment investments	800,902
(Addition to) Withdrawal from board designated endowment	495,709
(Addition to) withdrawal from donor restricted endowment	<u>1,100</u>
Net cash provided (used) in investing activities	<u>403,915</u>
<b>Cash Flows from Financing Activities</b>	
Collections of contributions restricted to endowment	<u>14,894</u>
Net cash provided (used) in financing activities	<u>14,894</u>
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	187,803
<b>Cash, cash equivalents and restricted cash, beginning of year</b>	<u>337,389</u>
<b>Cash, cash equivalents and restricted cash, end of year</b>	\$ <u>525,192</u>
<b>Cash and cash equivalents – without donor restrictions</b>	\$ 159,899
<b>Cash and cash equivalents – with donor restrictions</b>	<u>365,293</u>
<b>Total cash, cash equivalents and restricted cash</b>	\$ <u>525,192</u>
<b>Income taxes paid</b>	\$ 0
<b>Interest paid</b>	\$ 0

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

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE -1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES**

Organization and Nature of Activities

Friends of the Virgin Islands National Park, Inc., (the “Organization”) is a U.S. Virgin Islands nonprofit organization, incorporated on May 31, 1988. The Organization is dedicated to the protection and preservation of the natural and cultural resources of the Virgin Islands National Park (the “Park”) and promotes the responsible enjoyment of this unique national treasure.

The Organization supports projects and activities for the protection of natural resources, preservation of cultural resources and enhancement of environmental awareness. The Organization promotes volunteer and community involvement in the Park and advocates advance Park interests before the Government of the U.S, Virgin Islands, the Government of the United States, the National Park Service, and the general public.

Cultural Preservation

The Organization funds and implements projects and activities that further the protection of cultural and historic resources such as living history demonstrations, preservation of historic artifacts, interpretation of historic sites and presenting cultural programs.

Natural Resource Protection

The Organization funds and implements projects and educational activities that further the protection of park natural resources including coral reefs, beaches, wild life, vegetation, maintenance of hiking trails and control of lionfish.

Education Connection Projects

The Organization funds and implements projects and activities that further the greater environmental awareness and stewardship of the resources of Virgin Islands National Park such as field trips for children and adults, summer camps for children, small grants for teachers, environmental awareness activities for children and educational seminars.

Scientific Research

The Organization funds and implements scientific research projects to benefit the understanding and vitality of the park natural resources.

Fundraising events of the Organization include an annual Gala dinner with auction, an annual Villas Auction and Paddle the Park. The Organization also receives significant unrestricted donations, grants, and membership fees.

The Organization operates one retail store in Cruz Bay, St. John, U.S. Virgin Islands, and has an online presence. Tickets for the Reef Bay hike, logo merchandise, books, local crafts, and other sundry items are available for purchase with the purpose of promoting the National Park.

Cash, Cash Equivalents, and Restricted Cash

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, donor restricted and board designated endowments, or other long-term purposes are excluded from this definition.

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE -1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES-(continued)**

Cash, Cash Equivalents, and Restricted Cash-continued

The Organization periodically maintains cash in excess of federally insured limits in its bank accounts during the normal course of operations. The Organization believes it is not exposed to any significant credit risk on its cash balances.

Investments

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Fair Value of Financial Instruments

Cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are reported at cost, which approximates fair value due to the relative terms and short maturity of these financial instruments. Contributions receivable and beneficial interest in remainder trusts are reported at the present value of anticipated future payments, which approximates fair value. Investments are reported at fair value as determined by valuations provided by an external investment manager or quoted market prices.

Trade Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for educational services and training programs. We determine the allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. At September 30, 2023, the allowance was \$0.

Receivables from contracts with customers are reported as accounts receivable, net in the accompanying statement of financial position. Contract liabilities are reported as deferred revenue in the accompanying statement of financial position.

Contributions Receivable

We record unconditional contributions to give that are expected to be collected within one year at net realizable value. Unconditional contributions to give that are expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. We determine allowance for uncollectible contributions to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions are written off when deemed uncollectible. At September 30, 2023, the allowance was \$0.

Gift Shop Inventory

Our inventory is primarily comprised of program-related merchandise held for sale in the gift shops and is stated at average cost which approximates the lower of cost or market, including shipping. We have provided an allowance for inventory obsolescence of \$0 at September 30, 2023.

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(continued)**

Property and Equipment

We record property and equipment additions over \$5,000 at cost or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 7 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that a carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. We have determined that no long-lived assets were impaired during the year ended September 30, 2023, and no impairment loss was recorded as of during the year.

Net Assets

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

We report contributions restricted by donors as increases in net assets with donor restrictions in the reporting period in which the revenue is recognized. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Gift shop sales are recognized at the time of purchase. Membership dues, which are nonrefundable, are not comprised of an exchange element based on the nominal benefits received. We recognize the membership dues as a contribution, immediately upon receipt. Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. We recognize special events revenue equal to the fair value of direct benefits to donors when the special event takes place and benefit is received. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(continued)**

We recognize contributions when cash, securities or other assets, an unconditional contributions or notification of a beneficial interest is received. Conditional contributions that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. At September 30, 2023, there are no contributions that have not been recognized in the accompanying statement of activities because the condition(s) on which they depend has not yet been met.

When revenue is derived from cost-reimbursable federal or territory contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses, amounts received are recognized as revenue when we have incurred expenditures in compliance with any specific provisions. Amounts received prior to meeting any such provisions are reported as refundable advances in the statement of financial position. No amounts have been received in advance under any federal and territory contracts and grants.

*Donated Services and In-Kind Contributions*

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Advertising Costs

Advertising costs are expensed as incurred.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocations are based primarily upon estimates of facilities usage and activities of personnel.

Income Taxes

The Organization is organized as a U.S. Virgin Islands nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(c)(3). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Organization files an Exempt Organization Business Income Tax Return (Form 990-T) with the Virgin Islands Bureau of IRS to report its unrelated business taxable income. The Organization's tax returns are subject to examination by the applicable agency, generally for a three-year period from the date they were filed.

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE -1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES-(continued)**

The Organization has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United State of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Organization at year end.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable and contributions is considered to be limited due to high historical collection rates. Investments are made by investment managers whose performance is monitored by us and the investment committee of the Board of Directors.

Although the fair values of investments are subject to fluctuation on a year-to-year basis, we and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Adoption of New Lease Standard

Effective October 1, 2022, the Organization adopted Accounting Standards Update (ASU) 2016-02, Leases (ASC Topic 842) and subsequent amendments. ASC 842 affects all companies that enter into lease agreements, with certain exclusions under limited scope limitations. Under ASU 2016-02, an entity recognizes right-of-use assets and lease obligations on its balance sheet for all leases with a lease term of more than 12 months. Short-term rentals under year-to-year leases or remaining lease terms of 12 months or less are exempt from being capitalized.

In adopting the new lease standard, the Organization elected to use a transition method under which existing leases were measured and capitalized as of the date of adoption, October 1, 2022, in lieu of applying the standard retrospectively to October 1, 2021.

Additionally, as part of the implementation, the Organization elected to use a package of optional practical expedients which permit the Organization to avoid reassessing previous lease identifications within contracts, the existence of initial direct costs, and the lease classifications of any expired and existing leases. Moreover, in accordance with the expedients, all leases classified as operating leases under previous U.S. GAAP are automatically classified as operating leases under the new standard, and all leases previously classified as capital leases are recorded as finance leases.

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE-1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(CONTINUED)**

Leases recognized under the new standard include leases that were not capitalized under previous U.S. Generally Accepted Accounting Principles (U.S. GAAP).

On October 1, 2022, the Organization recorded in its October 1, 2022, balance sheet a right-of-use asset and lease obligation for operating leases in the amount of \$36,520.

**Lease Policies**

The new standard requires that leases with a lease term of more than 12 months be classified as either finance or operating leases. Leases are classified as finance leases when the Organization expects to consume a major part of the economic benefits of the leased assets over the remaining lease term. Conversely, the Organization is not expected to consume a major part of the economic benefits of the assets, classified as operating leases.

The lease classification affects both the pattern and presentation of expense or revenue recognized in the statement of operations, the categorization of assets and liabilities in the balance sheet, and classification of cash flows in the statement of cash flows.

The Organization has made a policy election not to capitalize certain short-term leases with a lease term of 12 months or less.

For operating leases, total lease cost is measured and recorded on a straight-line basis over the lease term.

Lease obligations are measured and recorded at the present value of future lease payments using a discount rate. Because the Organization generally does not have access to the rate implicit in each lease, lease obligations are measured using the risk-free interest rate as the discount rate. The risk-free interest rate is the theoretical rate of return that would be received on an investment with zero risk. The Organization uses the US Treasury yield curve for this purpose.

The Organization has elected to apply a risk-free interest rate of 4.22% to its office lease.

Right-of-use assets are generally measured and recorded at the sum of the lease obligation, any initial direct costs to consummate the lease, and any lease payments made on or before the commencement date.

**Subsequent Events**

In preparing the financial statements, we have evaluated events and transactions for potential recognition or disclosure through August 16, 2024, the date the financial statements were available to be issued.

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE-2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 159,899
Contributions receivable	47,457
Board Designated Endowment spending-rate distributions and appropriations	137,879
Donor restricted endowment spending-rate distributions and appropriations	<u>19,475</u>
	<u>\$ 364,710</u>

Our donor-restricted endowment fund is subject to an annual spending rate of 5%. Income from donor-restricted endowments is restricted for specific purposes, with the exception of any amounts available for general use. Income from donor-restricted contributions is restricted for specific purposes, with the exception of any amounts available for general use.

Our board-designated endowment is subject to an annual spending rate of 5%. Although we do not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available if necessary.

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments, CDs, and money market funds.

**NOTE-3 FAIR VALUE MEASUREMENTS AND DISCLOSURES**

We report certain assets and liabilities at fair market value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE-3 FAIR VALUE MEASUREMENTS AND DISCLOSURES-(continued)**

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances

In some cases, the inputs used to measure the fair value of an asset or liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of our investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values. We invest in CDs traded in the financial markets. Those CDs and U.S. government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2.

Investments are composed of money market funds, global corporate equities, exchange traded bond funds and corporate bonds. Investments are carried at fair value and measured at quoted active market prices for identical assets accessible to the Organization at the measurement date.

As of September 30, 2023, investments are valued as follows:

<u>Investment Type</u>	<u>Board Designated Endowment</u>	<u>Donor Restricted Endowment</u>	<u>Total</u>
Short-term			
Money market and sweep funds	\$ <u>188,289</u>	\$ <u>26,219</u>	\$ <u>214,508</u>
Total short-term investments	<u>188,289</u>	<u>26,219</u>	<u>214,508</u>
Long-term			
Corporate bonds	803,558	0	803,558
Global equity funds & ETF's	0	362,123	362,123
Global corporate equities	1,459,966	1,169	1,461,135
Global bond funds and ETF's	<u>305,773</u>	<u>0</u>	<u>305,773</u>
Total non-current investments	<u>2,569,297</u>	<u>363,292</u>	<u>2,932,589</u>
<b>Total Investments</b>	<b><u>\$2,757,586</u></b>	<b><u>\$389,511</u></b>	<b><u>\$3,147,097</u></b>

The following schedule summarizes investment returns and classifications in the statement of activities for the fiscal year ended September 30, 2023:

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE-3 FAIR VALUE MEASUREMENTS AND DISCLOSURES-(continued)**

	<b>Board Designated Endowment</b>	<b>Donor Restricted Endowment</b>	<b>Total</b>
<b>Investments, beginning of year</b>	\$2,961,680	\$ 331,248	\$3,292,928
Interest and dividends	111,016	7,619	118,635
Net realized gains (losses)	27,562	3,370	30,932
Net unrealized gains (losses)	<u>186,053</u>	<u>36,377</u>	<u>222,430</u>
<b>Total investment return</b>	324,631	47,366	371,997
Less: investment fees	<u>(33,016)</u>	<u>(2,897)</u>	<u>(35,913)</u>
<b>Net investment return</b>	291,615	44,469	336,084
Contributions	0	14,894	14,894
Board designations	(495,709)	0	(495,709)
Withdrawals	<u>0</u>	<u>(1,100)</u>	<u>(1,100)</u>
<b>Total Investments</b>	<b><u>\$2,757,586</u></b>	<b><u>\$ 389,511</u></b>	<b><u>\$3,147,097</u></b>

The interest and dividends, total investment return and net investment return presented above do not include \$218 of interest earned in cash accounts of the Organization.

The classification of investments by level within the valuation hierarchy as of September 30, 2023 is as follows:

	Quoted Prices (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money market funds	\$ 214,508	\$ 0	\$ 0	\$ 214,508
Global corporate equities	1,461,135	0	0	1,461,135
Global bond funds & ETF's	305,773	0	0	305,773
Global equity funds & ETF's	362,123	0	0	362,123
Corporate bonds	<u>0</u>	<u>803,558</u>	<u>0</u>	<u>803,558</u>
<b>Investments, at fair value</b>	<b><u>\$2,343,539</u></b>	<b><u>\$ 803,558</u></b>	<b><u>\$ 0</u></b>	<b><u>\$3,147,097</u></b>

**NOTE-4 CONTRIBUTIONS RECEIVABLE**

Contributions for which payments have not been received are included in the financial statements as contributions receivable in the appropriate net asset category. We record unconditional contributions receivable that are expected to be collected within one year at net realizable value. Unconditional contributions to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. A discount rate of 4% was used for long-term contributions to give received during the year.

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE-4 CONTRIBUTIONS RECEIVABLE-(continued)**

Contributions receivable are written off at the time they are determined to be uncollectible. We determine the allowance for uncollectible contributions based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectible. At September 30, 2023, the allowance was \$0.

Unconditional contributions receivable are estimated to be collected as follows at September 30:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Within one year	\$ 47,457	\$ 0	\$ 47,457
In one to five years	0	0	0
Over five years	<u>0</u>	<u>0</u>	<u>0</u>
	47,457	0	47,457
Less discount to net present value at 4%	0	0	0
Less allowance for uncollectable contributions	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 47,457</u>	<u>\$ 0</u>	<u>\$ 47,457</u>

**NOTE-5 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at September 30, 2023:

Furniture and equipment	\$ 29,175
Vehicle	14,000
Less: Accumulated depreciation	<u>(43,175)</u>
	0
Land	<u>111,678</u>
Total property and equipment, net of depreciation	<u>\$ 111,678</u>

Depreciation expense for the fiscal year ended September 30, 2023 was \$0.

The Organization holds undeveloped land located within the Virgin Islands National Park boundary. The property, reported at cost, is restricted by conservation easements limiting the market value of the land.

The Organization acquired 11.8 acres of real estate in Maho Bay, St. John U.S. Virgin Islands at a purchase price of \$1,313,012. The Organization is temporarily retaining title to this land with the intention of conveying the property to the National Park System (NPS), as directed by a donor.

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE-6 LEASES**

We lease office space, under a long-term non-cancelable operating lease. The three year office lease commencing January 1, 2015 requires initial monthly payments of \$2,100 and provides for increases in future minimum annual rental payments. The lease includes an option to renew for four (4) additional two (2) year periods, with written notice six months prior to expiration of the current lease period. We include in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The lease additionally requires variable common area, utility and property tax charges of \$8,985 which are included in repairs and maintenance in the period in which the obligation for those payments is incurred.

The weighted-average discount rate is based on the discount rate implicit in the lease when provided. We have elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. We have applied the risk-free rate option to the office classes of assets.

We have elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis over the term of the lease.

Total lease costs for the year ended September 30, 2023 are as follows:

Operating Lease Cost	\$ 30,077
----------------------	-----------

The following summarizes the supplemental cash flow information for the year ended September 30, 2023:

Right-of-Use Assets Obtained in Exchange for Lease Liabilities	
Operating Leases	\$ 96,754

The following summarizes the weighted-average remaining lease term and weight-average discount rate:

Weighted-Average Remaining Lease Term in Years:	
Operating Leases	2.03

Weighted-Average Discount Rate:	
Operating Leases	4.22

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of September 30, 2023:

<u>September 30,</u>	<u>Operating</u>	<u>Finance</u>
2024	\$ 31,091	\$ 0
2025	31,348	0
2026	7,837	0
2027	0	0
2028	<u>0</u>	<u>0</u>
Total Lease Payments	70,276	0
Less Discount or Interest	<u>(2,516)</u>	<u>0</u>
Present Value of Lease Liabilities	<u>\$ 67,760</u>	<u>\$ 0</u>

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE-7 BOARD DESIGNATED AND DONOR RESTRICTED ENDOWMENT FUNDS**

As required by generally accepted accounting principles in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization's investments are wholly held in separate board-designated and donor restricted endowment accounts. At September 30, 2023, \$389,511 of the endowment's assets totaling \$3,147,097 were restricted by donors.

***Board Designated Endowment***

The board-designated endowment fund was capitalized by the \$1.7 million sale of donated land in 1999. Deposits into the fund are composed of donations, unrestricted funds transfers designated by the board for investment, and repayments to the endowment of emergency borrowings. Withdrawals from the endowment fund are composed of: 1) Regular Withdrawals – up to 5% of the fund value to support annual operation. 2) Emergency Withdrawals – funds necessary to meet operating or project shortfalls and required to be repaid to the endowment as cash becomes available, and 3) Strategic Withdrawals – withdrawals to take advantage of unique opportunities which further the mission of the Organization. 4) Withdrawal of unrestricted donations of investment or cash.

During the year ended September 30, 2023, \$495,709 of Board designated withdrawals were made to further fund the Board designated projects.

***Donor Restricted Endowment***

Our endowment (the Endowment) consists of one (1) individual fund established by donors to provide regular funding for St. John youth (preferably studying in the humanities or sciences), paid internships for Noble Samuel scholars and general operations as approved by donors. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization is subject to the U.S. Virgin Islands Uniform Prudent Management of Institutional Funds Act (VIUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result, we classify as donor-restricted net assets (a) the original value of gifts donated to the Endowment, (b) the original value of subsequent gifts donated to the Endowment and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment is classified as donor-restricted net assets until those amounts are appropriated for expenditure by us in a manner consistent with the standard of prudence prescribed by VIUPMIFA and the Organization endowment policy.

We consider the following factors in making a determination as to whether to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE-7 BOARD DESIGNATED AND DONOR RESTRICTED ENDOWMENT FUNDS-(continued)**

The Donor restricted endowment funds are intended to provide scholarship, internship and operational support to the Organization and, accordingly, are invested with a long-term horizon. Although year-to-year volatility is reduced through diversification of investment strategies, the emphasis will be on the long-term, total rate of return.

The primary objective of the endowment investment portfolio is to generate a long-term, total rate of return (income plus appreciation) that will permit real growth in endowment assets while funding an allowable annual payout rate equal to 5% of the average fair market value of the funds.

The annual payout for each calendar year from the endowment fund shall not exceed 5% of the average fair market value of such fund (measured at the end of each year), unless approved by donor.

The payout procedures are to be used to calculate the limit on the annual payout in any given year, but no such payout shall be obligatory.

**NOTE-8 NET ASSETS-WITH DONOR RESTRICTIONS**

Net assets with donor restrictions represent amounts received or committed with donor restrictions, which have not yet been expended for their designated purposes (purpose-restricted); with donor capital restrictions, which will be recognized when the assets are placed in service (capital restricted); amounts for general use in future periods (time restricted); and amounts received from donors with the stipulation that the principal will be held in perpetuity and only the investment income can be spent.

At September 30, 2023, net assets – with donor restrictions were available for the following program and service activities:

Subject to expenditure for specified purpose:	
Maho Bay Parcel 1	\$ 8,162
Cultural preservation	310,049
Education projects	43,723
Natural resource protection	<u>3,359</u>
	<u>365,293</u>
Subject to placement in service:	
Maho Bay Parcel 1	<u>1,313,012</u>
	<u>1,313,012</u>
Endowments:	
Scholarships, internships and approved operational needs	<u>389,511</u>
	<u>389,511</u>
Total net assets with donor restrictions	<u>\$2,067,816</u>

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE-8 NET ASSETS-WITH DONOR RESTRICTIONS-(continued)**

Net assets were released from donor restrictions by incurring expenses that satisfy the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended September 30, 2023.

Satisfaction of purpose restrictions:	
Cultural preservation	\$ 166,463
Education connection projects	278,569
Natural resource protection	<u>361,127</u>
Total net assets released from restrictions	<u>806,159</u>
Restricted purpose spending rate	
distributions and appropriations	
Scholarships, internships and approved	
operational needs	<u>10,685</u>
	<u>\$ 816,844</u>

**NOTE-9 DONATED PROFESSIONAL SERVICES AND MATERIALS**

We received donated professional services and materials as follows during the year:

	<u>Program</u> <u>Activities</u>	<u>Management</u> <u>and General</u>	<u>Stores</u>	<u>Fundraising</u>	<u>Total</u>
Contract services	\$ 412	\$ 75	\$ 0	\$ 500	\$ 987
Supplies-materials	<u>934</u>	<u>530</u>	<u>0</u>	<u>0</u>	<u>1,464</u>
	<u>\$ 1,346</u>	<u>\$ 605</u>	<u>\$ 0</u>	<u>\$ 500</u>	<u>\$ 2,451</u>

The \$2,451 of in-kind contributions were utilized in the following activities during the fiscal year ended September 30, 2023 as follows:

Fundraising	\$ 500
Management and general	605
Paddle in the park	434
Power swim	<u>912</u>
Total in-kind donations	<u>\$ 2,451</u>

**NOTE-10 FUNCTIONALIZED EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

**FRIENDS OF THE VIRGIN ISLANDS NATIONAL PARK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE-11 EMPLOYEE BENEFITS**

The Organization provides health insurance coverage to all full-time employees. Total health insurance coverage expenses incurred by the Organization during the fiscal year ended September 30, 2023, amounted to \$71,711.

Full-time employees are eligible to contribute to a 403(b) retirement plan with the Organization making a 100% match of up to 10% of salary, or the legal contribution limit, whichever is less. Total retirement benefit expense for the fiscal year ended September 30, 2023 was \$18,717.

**NOTE-12 RELATED PARTY TRANSACTIONS**

During the fiscal year ended September 30, 2023, the Organization's transactions with members of the Board of Directors included \$0 in donations.

**NOTE-13 CONCENTRATION OF CREDIT RISK**

The Organization's investments, comprising 59% of total assets, are managed by a single advisor following an approved investment policy.

The Organization's cash balances at financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2023, the Organization's uninsured cash balances were \$219,964.

**NOTE-14 COMMITMENTS AND CONTINGENCIES**

**Litigation**

The Organization is subject to certain claims that arise in the normal course of business, none of which, in the opinion of management, are expected to have a material adverse effect on the Organization's financial condition or results of the operations.