

**The Vieques Conservation and Historical Trust, Inc.  
Auditor's Report and Financial Statements  
Year ended September 30, 2024**

**The Vieques Conservation and Historical Trust, Inc.**  
**Audited Financial Statements**  
**Year ended September 30, 2024**

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**INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
of The Vieques Conservation and Historical Trust, Inc.

**Opinion**

I have audited the accompanying financial statements of The Vieques Conservation and Historical Trust, Inc. (a Puerto Rico nonprofit corporation) (the Organization), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses, and of cash flows for the year then ended, and the notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Vieques Conservation and Historical Trust, Inc. as of September 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of The Vieques Conservation and Historical Trust, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 The Vieques Conservation and Historical Trust, 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**

My 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 my 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, I:

- 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 The Vieques Conservation and Historical Trust, Inc's internal control.
- 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Vieques Conservation and Historical Trust, Inc's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

*Emilia Rodas Viñas*



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The Vieques Conservation and Historical  
Trust, Inc.

Emilia Rodas Viñas  
License No. 1144  
Expires December 1, 2025

December 17, 2024

**The Vieques Conservation and Historical Trust, Inc.**  
**Statement of Financial Position**  
**September 30, 2024**

**ASSETS**

Current assets:	
Cash and cash equivalents (Notes 2 and 3)	\$ 539,269
Accounts receivable	13,577
Inventory- Gift Shop (Note 2)	18,263
Donated artwork for fundraising (Note 2)	4,800
Prepaid expenses	<u>19,795</u>
Total current assets	595,704
Property and equipment, net of accumulated depreciation (Notes 2 and 4)	<u>254,549</u>
Total assets	<u>\$ 850,253</u>

**LIABILITIES AND NET ASSETS**

Current liabilities:	
Accounts payable	\$ 6,006
Accrued expenses and withholdings	<u>9,885</u>
Total current liabilities	<u>15,891</u>
Net assets:	
Without donor restrictions	
Undesignated	276,209
With donor restrictions	<u>558,153</u>
Total net assets	<u>834,362</u>
Total liabilities and net assets	<u>\$ 850,253</u>

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

**The Vieques Conservation and Historical Trust, Inc.**  
**Statement of Activities**  
**Year ended September 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, SUPPORT AND GAINS</b>			
Support:			
Gifts, grants and contributions (Note 5)	\$ 229,380	613,764	\$ 843,144
In-kind contributions	-	24,987	24,987
Fundraising events	<u>32,897</u>	<u>-</u>	<u>32,897</u>
	<u>262,277</u>	<u>638,751</u>	<u>901,028</u>
Net investment return:			
Interest and dividends	12	-	12
Realized gain	146	-	146
Unrealized gain	<u>721</u>	<u>-</u>	<u>721</u>
	<u>879</u>	<u>-</u>	<u>879</u>
Total revenues and support	<u>263,156</u>	<u>638,751</u>	<u>901,907</u>
<b>EXPENSES</b>			
Program services:			
Grants	-	413,695	413,695
Program expenses	<u>-</u>	<u>111,090</u>	<u>111,090</u>
Total program services	<u>-</u>	<u>524,785</u>	<u>524,785</u>
Supporting services:			
Management and general	221,687	-	221,687
Fundraising	<u>3,678</u>	<u>-</u>	<u>3,678</u>
Total supporting services	<u>225,365</u>	<u>-</u>	<u>225,365</u>
Total expenses	<u>225,365</u>	<u>524,785</u>	<u>750,150</u>
<b>CHANGE IN NET ASSETS</b>	37,791	113,966	151,757
<b>NET ASSETS</b> , beginning of year	<u>238,418</u>	<u>444,187</u>	<u>682,605</u>
<b>NET ASSETS</b> , end of year	<u>\$ 276,209</u>	<u>558,153</u>	<u>\$ 834,362</u>

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

**The Vieques Conservation and Historical Trust, Inc.**  
**Statement of Functional Expenses- Year ended September 30, 2024**

	<u>Grants and Program</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 159,750	73,820	\$ 233,570
Payroll taxes	17,197	8,092	25,289
Employee benefits	27,901	14,414	42,315
Credit card, bank and UBS charges	-	8,679	8,679
Depreciation	-	6,185	6,185
Dues and subscriptions	-	1,115	1,115
Insurance	1,680	31,134	32,814
Laboratory and marine life exhibit supplies	870	1,353	2,223
Legal, accounting and audit fees	-	9,640	9,640
Office supplies and expenses	87	23,371	23,458
Repairs and maintenance	828	16,430	17,258
Licenses and permits	-	2,775	2,775
Travel and meetings	118	3,738	3,856
Utilities	-	10,367	10,367
Contracted services	18,057	-	18,057
Snacks, lunches and beverages	14,231	2,445	16,676
Transportation, including bus rentals	16,225	3,011	19,236
Emergency preparedness supplies	8,000	-	8,000
Escuela Barbosa expenses	-	2,400	2,400
Mangrove repairs and maintenance	9,575	-	9,575
Used pick-up for mangrove project	18,000	-	18,000
Grant payments to local non-profits	11,111	-	11,111
Scholarships paid	15,700	-	15,700
Mangrove nursery supplies	11,470	-	11,470
Manta personnel	18,028	-	18,028
Manta t-shirts	7,180	-	7,180
Educational supplies, books, materials	11,344	-	11,344
Manta education program	18,302	-	18,302
Assessment recovery plan for Kianni Lagoon	52,619	-	52,619
Mangrove project workers	41,338	-	41,338
Fundraising expenses	-	3,678	3,678
Bird committee expenses	10,540	-	10,540
Marine-life educational program	8,974	-	8,974
Coral reef assessment	2,146	-	2,146
Advertisement	3,200	1,182	4,382
Technical services relating to mangrove restoration	20,000	-	20,000
Miscellaneous	314	1,536	1,850
	<u>\$524,785</u>	<u>225,365</u>	<u>\$750,150</u>

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



**The Vieques Conservation and Historical Trust, Inc.**  
**Statement of Cash Flows**  
**Year ended September 30, 2024**  
**(Increase (decrease) in cash)**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	<u>\$ 151,757</u>
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	6,185
Change in operating assets and liabilities:	
Gift shop inventory	( 5,830)
Accounts receivable	( 7,937)
Prepaid expenses	180
Accounts payable	( 4,648)
Accrued expenses	<u>766</u>
Total adjustments	<u>(11,284)</u>
Net cash provided by operating activities	<u>140,473</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Acquisition of equipment	( 5,044)
Net cash used by investing activities	<u>( 5,044)</u>

**INCREASE IN CASH AND CASH EQUIVALENTS**

	<u>135,429</u>
Cash and cash equivalents, beginning of year	<u>403,840</u>
Cash and cash equivalents, end of year	<u>\$ 539,269</u>

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

**The Vieques Conservation and Historical Trust, Inc.**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 1- ORGANIZATION AND NATURE OF BUSINESS**

The Vieques Conservation and Historical Trust, Inc. is a non-profit corporation (the Organization) organized under the laws of the Commonwealth of Puerto Rico on October 25, 1985. The Organization is engaged in the preservation and conservation of historic artifacts and historic sites, buildings and their surroundings and land in its natural state and wildlife preserves and other resources within and surrounding the island of Vieques, Puerto Rico, for charitable, scientific and educational purposes.

Its headquarters are located at the rural community of Esperanza of the Puerto Real Ward of Vieques, Puerto Rico, on real estate donated to the Organization in March of 1996.

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting and Presentation**

The financial statements of The Vieques Conservation and Historical Trust, Inc. have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Net Assets**

Net assets, revenues, 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 Board of Directors has designated, from net assets without donor restrictions, net assets for operating and administrative reserves.

**Net Assets With Donor 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**The Vieques Conservation and Historical Trust, Inc.**  
**Notes to Financial Statements**  
**September 30, 2024**

**Note 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The bylaws of the Organization include a variance provision giving the Board of Directors the power, whenever any restriction or condition on the distribution of funds becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable, educational, and scientific needs of the communities or areas served, to modify any restriction or condition placed on the distribution of funds and to apply the whole or any part of the principal or income of funds as in its judgement is necessary to serve more effectively the charitable, educational and scientific purposes of the Organization.

Based on that provision, The Vieques Conservation and Historical Trust, Inc. classifies all contributions and assets, except as noted below, as net assets without donor restrictions for financial statements presentation. Donations received for the Manta summer educational program and for the scholarship program are classified as net assets with donor restrictions. Funds received from grants approved the Organization are also classified as net assets with donor restrictions. The Organization has no assets that are restricted in perpetuity.

**Cash and Cash Equivalents**

For purposes of the statement of financial position and the statement of cash flows, the Organization considers cash balances and highly liquid investments available for current use with an initial maturity of three months or less when acquired to be cash and cash equivalents. The Organization reports money markets accounts and investment in marketable securities as part of cash and cash equivalents. The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. After that, investment in marketable securities are reported at their fair values in the statement of financial position as part of the cash and cash equivalent balance. As of September 30, 2023 the Organization had no investment in marketable securities.

**Inventory:**

The gift shop inventory, consisting of souvenirs, handcrafts, children's books, postcards, t-shirts and other articles for sale, is stated at cost, under the first-in, first-out basis.

**Property and Equipment:**

The Organization records property and equipment additions over \$500 at cost, or, if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The cost and related depreciation of assets sold or disposed of are removed from the accounts, and any resulting gain or loss

**The Vieques Conservation and Historical Trust, Inc.**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

**Revenue and Revenue Recognition:**

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**Donated Services and In-kind Contributions:**

Volunteers contribute amounts of time to The Vieques Conservation and Historical Trust, Inc.'s program services, administration and development activities. The donated services and goods, principally related to the Manta summer program and fundraising events in fiscal year 2024, are reported in the statement of activities as In-kind Contributions. Contributed goods are recorded at fair value at the date of the donation. The organization records donated professional services at the respective fair values of the services received.

The Organization was donated artwork, five silkscreens valued at \$1,200 each, in February 2023, for fundraising purposes. As of fiscal year-end, four pieces were available for sale.

**Grants and Program Services:**

The Organization's main programmatic areas consist of: the co-management of The Vieques Bioluminescent Bay Natural Reserve with the Puerto Rico Department of Environmental and Natural Resources, the Elizabeth Langhorne Vieques Bioluminescence Laboratory, the Manta Summer Education program for children and youth, scholarships for deserving Vieques students for higher education, a community emergency/resiliency hub to provide emergency community services in case of natural disasters, and the Escuela Barbosa Community Innovation Hub Environmental Educational and Scientific Research Center focused on small islands' sustainability. These programs are principally financed from grant funds and donations received by the Organization.

**Presentation of Sales Tax:**

The Organization is required by the Government of Puerto Rico to collect a sales tax "IVU"

**The Vieques Conservation and Historical Trust, Inc.**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

of 11.5% on all fund-raising revenues and gift shop sales and to remit the tax to both the state and municipal governments. The Organization's accounting policy is to exclude the sales tax collected and remitted to the state and municipal governments from revenues and cost of sales.

**Use of Estimates:**

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

**Income taxes:**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Code as other than a private foundation. The Organization is also exempt from income tax under Section 1101.01(a)(2)(A)(1) of the Puerto Rico Code, as a charitable entity, effective January 1, 2011.

The Organization follows the guidance of FASB ASC 740-Accounting for Uncertainty in Income Taxes. As of September 30, 2023, management evaluated the Organization's tax positions and concluded that the Organization has maintained its tax-exempt status and had taken no uncertain tax positions that require adjustments to the financial statements.

**Functional Expense Allocations:**

The costs of the program and supporting services have been summarized on a functional basis in the statement of activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The Organization classifies its expenses based on the following categories:

**Program Services**

- Grants awarded the Organization
- Educational and Philanthropic Expenses: Operating expenses associated with

**The Vieques Conservation and Historical Trust, Inc.**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- developing, evaluating and processing scholarship applications, services to the Vieques community and educational programs for the Vieques youth and others

Management and General Expenses

- Expenses to hold board, committee or staff meetings
- Accounting
- Office management and any centralized services (such as human resources)
- Insurance

Fundraising Expenses

- Promotional and other expenses associated with events carried out to raise funds for the Organization's programs and services to the Vieques community and others

Salaries and employee benefits are charged to the program for which work has been done based on management estimates. Overhead is based on staff allocation to functional areas.

**NOTE 3- CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as of September 30, 2024 consist of:

Current bank accounts, restricted use:	
VCHT Scholarship	\$ 69,157
Various grants	284,411
Manta Education	237
Cooperativa Ahorro y Credito Roosevelt Roads, restricted use	113,670
General bank accounts, unrestricted use	52,043
Gift Shop bank account, unrestricted use	6,458
Investment in marketable securities -UBS account	12,893
Petty cash	<u>400</u>
	<b><u>\$ 539,269</u></b>

**The Vieques Conservation and Historical Trust, Inc.**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 4- PROPERTY AND EQUIPMENT**

Property and equipment as of September 30, 2024 consists of:

Land	\$ 79,200
Buildings and improvements	149,060
Furniture and equipment	83,797
Marine life exhibit	<u>15,633</u>
	327,690
Less accumulated depreciation of furniture and equipment	<u>73,141</u>
	<u>\$ 254,549</u>

**NOTE 5- GIFTS, GRANTS AND CONTRIBUTIONS**

Gifts, grants and contributions for year ended September 30, 2024 are:

Grants	\$ 522,902
Individual contributions	218,305
Membership dues	5,055
Gift shop net income	(a) 2,146
Playa Grande Tours and Bird Walks	3,874
Donations to the Mangrove project	700
Manta summer program income	32,662
Scholarship program income	<u>57,500</u>
	<u>\$ 843,144</u>

(a)The Organization operates a small gift shop on its premises, as an additional means of raising funds to cover its operating expenses, which was closed in March 2020, due to the coronavirus pandemic. The Gift Shop operated partially in fiscal years 2021, 2022 and 2023 and on a part-time basis in fiscal year 2023-24.

**The Vieques Conservation and Historical Trust, Inc.**  
**Notes to Financial Statements**  
**September 30, 2024**

**NOTE 6- CESSION OF PERMANENT USE OF REAL ESTATE**

On April 24, 2018, the municipality of Vieques ceded to The Vieques Conservation and Historical Trust, Inc. the permanent and total use of a property known as Escuela Jose Celso Barbosa, located at the Puerto Real Ward of the municipality of Vieques, free of charges, so that the Organization could establish a library and educational and scientific center and other facilities, to promote the general welfare of the Vieques community, for an indefinite and permanent time. The condition for the permanent use of the property ceded, is to continue its specified and restricted use as an educational and scientific center and that the Organization continue its existence as a non-profit and non-political legal entity.

**NOTE 7- LIQUIDITY AND AVAILABILITY**

The table below presents The Vieques Conservation and Historical Trust, Inc.'s financial assets available for general expenditures within one year of the statement of financial position date:

Financial assets:	
Cash and cash equivalents	\$ 425,599
Gift shop inventory	18,263
Donated artwork for fundraising	<u>4,800</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 448,662</u>

**NOTE 8- SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events from its year end of September 30, 2024 through December 17, 2024, the date of issuance of the financial statements, and deems that no subsequent events or transactions require disclosure.