

BAT CONSERVATION INTERNATIONAL, INC.
(A Nonprofit Corporation)
FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2022 AND 2021

BAT CONSERVATION INTERNATIONAL, INC.
(A Nonprofit Corporation)

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FINANCIAL SECTION



Independent Auditors' Report

Board of Directors
Bat Conservation International, Inc.
Austin, Texas

Opinion

We have audited the accompanying financial statements of Bat Conservation International, Inc. (BCI), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bat Conservation International, Inc. as of June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Bat Conservation International, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 BCI's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 GAAS and *Government 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 BCI'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 BCI'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2023, on our consideration of BCI'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 solely 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 effectiveness of BCI's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the BCI' internal control over financial reporting and compliance.



Austin, Texas

January 12, 2023

BAT CONSERVATION INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,578,824	\$ 4,343,472
Accounts and grants receivable	995,518	477,945
Prepaid expenses	298,291	115,863
Total current assets	4,872,633	4,937,280
Property and equipment, net	6,856,751	6,761,465
Investments	4,105,799	3,277,806
Total assets	\$ 15,835,183	\$ 14,976,551
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 240,219	\$ 227,815
Accrued expenses	624,122	564,151
Deferred revenue	222,452	124,417
Total current liabilities	1,086,793	916,383
Total liabilities	1,086,793	916,383
Net assets		
Without donor restrictions		
Undesignated	1,055,012	3,235,437
Board designated	2,905,770	1,882,100
With donor restrictions		
Time or purpose	3,955,502	2,110,525
In Perpetuity	6,832,106	6,832,106
Total net assets	14,748,390	14,060,168
Total liabilities and net assets	\$ 15,835,183	\$ 14,976,551

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

BAT CONSERVATION INTERNATIONAL, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor	With Donor Restrictions		Total
	Restrictions	Time or Purpose	In Perpetuity	
Revenues				
Contribution	\$ 2,310,483	\$ 3,590,990	\$ -	\$ 5,901,473
Gain on sale of building	-	-	-	-
Government grants and contracts	3,530,519	-	-	3,530,519
Government program (CARES Act)	-	-	-	-
Investment return, net	(455,618)	(195,677)	-	(651,295)
Corporate contracts	314,187	-	-	314,187
Rental income	-	-	-	-
Catalog sales, net of costs	10,887	-	-	10,887
Other revenue	83,432	-	-	83,432
Total revenues	5,793,890	3,395,313	-	9,189,203
Assets released from restrictions	1,550,336	(1,550,336)	-	-
Total revenues and assets released from restrictions	7,344,226	1,844,977	-	9,189,203
Expenses				
Program services:				
Science and conservation program	6,956,090	-	-	6,956,090
Education program	586,949	-	-	586,949
Total program services	7,543,039	-	-	7,543,039
Support services:				
Fundraising and development	675,798	-	-	675,798
General and administrative	282,144	-	-	282,144
Total support services	957,942	-	-	957,942
Total expenses	8,500,981	-	-	8,500,981
Change in net assets	(1,156,755)	1,844,977	-	688,222
Net assets at beginning of year	5,117,537	2,110,525	6,832,106	14,060,168
Net assets at end of year	\$ 3,960,782	\$ 3,955,502	\$ 6,832,106	\$ 14,748,390

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

BAT CONSERVATION INTERNATIONAL, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Donor	With Donor Restrictions		Total
	Restrictions	Time or Purpose	In Perpetuity	
Revenues				
Contribution	\$ 2,725,155	\$ 1,143,128	\$ -	\$ 3,868,283
Gain on sale of building	2,184,971	-	-	2,184,971
Government grants and contracts	1,701,728	-	-	1,701,728
Government program (CARES Act)	776,422	-	-	776,422
Investment return, net	357,279	267,882	-	625,161
Corporate contracts	236,981	-	-	236,981
Rental income	63,949	-	-	63,949
Catalog sales, net of costs	36,360	-	-	36,360
Other revenue	2,134	-	-	2,134
Total revenues	8,084,979	1,411,010	-	9,495,989
Assets released from restrictions	1,405,141	(1,405,141)	-	-
Total revenues and assets released from restrictions	9,490,120	5,869	-	9,495,989
Expenses				
Program services:				
Science and conservation program	4,577,418	-	-	4,577,418
Education program	428,596	-	-	428,596
Total program services	5,006,014	-	-	5,006,014
Support services:				
Fundraising and development	784,691	-	-	784,691
General and administrative	384,111	-	-	384,111
Total support services	1,168,802	-	-	1,168,802
Total expenses	6,174,816	-	-	6,174,816
Change in net assets	3,315,304	5,869	-	3,321,173
Net assets at beginning of year	1,802,233	2,104,656	6,832,106	10,738,995
Net assets at end of year	\$ 5,117,537	\$ 2,110,525	\$ 6,832,106	\$ 14,060,168

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

BAT CONSERVATION INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Fundraising				Total
	Science and Conservation	Education	Development and	General and Administrative	
Salaries, wages, and benefits	\$ 3,681,825	\$ 326,281	\$ 441,017	\$ 154,500	\$ 4,603,623
Other operating expenses	781,123	42,901	118,199	55,372	997,595
Consulting and professional fees	1,224,316	117,780	51,222	40,235	1,433,553
Travel and related expenses	629,370	20,238	12,792	7,526	669,926
Grants to others and scholarships	403,856	-	-	-	403,856
Office and occupancy	101,301	6,577	7,471	15,278	130,627
Printing and publication	5,694	32,216	19,312	13	57,235
Telecommunications and postage	66,542	14,954	22,805	6,035	110,336
In-kind expense	16,425	1,066	1,211	2,478	21,180
Hospitality and member benefits	3,175	82	1,601	254	5,112
	<u>6,913,627</u>	<u>562,095</u>	<u>675,630</u>	<u>281,691</u>	<u>8,433,043</u>
Depreciation	42,463	24,854	168	453	67,938
Total expenses	<u>\$ 6,956,090</u>	<u>\$ 586,949</u>	<u>\$ 675,798</u>	<u>\$ 282,144</u>	<u>\$ 8,500,981</u>

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

BAT CONSERVATION INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Fundraising				Total
	Science and Conservation	Education	Development and	General and Administrative	
Salaries, wages, and benefits	\$ 2,839,621	\$ 241,071	\$ 560,894	\$ 192,241	\$ 3,833,827
Other operating expenses	506,376	30,171	108,717	70,544	715,808
Consulting and professional fees	496,847	72,064	47,964	75,194	692,069
Travel and related expenses	271,300	1,703	4,128	7,714	284,845
Grants to others and scholarships	261,530	-	-	-	261,530
Office and occupancy	84,336	5,798	11,281	25,794	127,209
Printing and publication	10,345	42,449	34,458	20	87,272
Telecommunications and postage	51,492	6,811	15,528	8,256	82,087
In-kind expense	8,472	-	-	-	8,472
Hospitality and member benefits	1,230	191	415	918	2,754
	<u>4,531,549</u>	<u>400,258</u>	<u>783,385</u>	<u>380,681</u>	<u>6,095,873</u>
Depreciation	45,869	28,338	1,306	3,430	78,943
Total expenses	<u>\$ 4,577,418</u>	<u>\$ 428,596</u>	<u>\$ 784,691</u>	<u>\$ 384,111</u>	<u>\$ 6,174,816</u>

The accompanying notes are an integral part of these financial statements

BAT CONSERVATION INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 688,222	\$ 3,321,173
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation expense	67,938	78,943
Gain on disposal of property and equipment	-	(2,184,971)
Dividends reinvested	(166,765)	(72,344)
Net realized and unrealized losses (gains) on investments	818,060	(552,817)
Changes in operating assets and liabilities:		
Accounts and grants receivable	(517,573)	(175,558)
Prepaid expenses	(182,428)	24,584
Accounts payable	12,404	880
Accrued expenses	59,971	149,677
Deferred revenue	98,035	105,906
Refundable advance	-	(100,122)
Tenant deposits	-	(4,190)
Net cash provided (used) by operating activities	877,864	591,161
Cash flows from investing activities:		
Proceeds from the sale of investments	-	104,047
Purchase of investments	(1,479,288)	(545,857)
Proceeds from the sale of property and equipment	-	2,294,139
Purchase of property and equipment	(163,224)	-
Net cash provided (used) by investing activities	(1,642,512)	1,852,329
Cash flows from financing activities:		
Net cash provided (used) by financing activities	-	-
Net increase (decrease) in cash and cash equivalents	(764,648)	2,443,490
Beginning cash and cash equivalents	4,343,472	1,899,982
Ending cash and cash equivalents	\$ 3,578,824	\$ 4,343,472
Cash paid for interest and taxes:		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

BAT CONSERVATION INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. ORGANIZATION

Bat Conservation International, Inc. (BCI) is a non-profit organization dedicated to ensuring the survival of the world's 1400+ species of bats. BCI was originally incorporated in 1982 in the state of Wisconsin and reincorporated in the state of Texas in 1991. BCI works around the world to conserve bats by identifying, protecting and managing critical bat habitats, from caves to forests and by addressing broad threats, like white-nose syndrome, that threaten multiple species of bats. BCI also seeks to increase public understanding and appreciation of the essential role bats play in the health of ecosystems and human wellbeing. BCI also supports the work of researchers and scientists around the world through its granting programs. The majority of revenues BCI receives comes from its members and other private supporters. BCI also receives grants and contracts from various local, state and federal agencies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP) as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

Classification of Net Assets - The financial statements report information regarding BCI's financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of BCI and changes therein are classified as follows:

Net assets without donor restrictions - These types of net assets are not subject to donor-imposed stipulations. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Net assets with donor restrictions:

Time or Purpose - These types of net assets are subject to donor-imposed stipulations which limit their use by BCI to a specific purpose and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as assets released from restrictions.

In Perpetuity - Generally, the donors of these assets permit BCI to use all or part of the income earned on any related investments for general or specific use. In addition to the corpus of the endowment funds of \$579,566, net assets with donor restrictions include the value of permanent conservation of the bat habitat at Bracken Cave and Galo tract valued at \$6,252,540. Total net assets with donor restrictions - in perpetuity were \$9,332,106 and \$6,832,106 at June 30, 2022 and 2021.

BAT CONSERVATION INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management 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 these estimates.

Cash and Cash Equivalents - Cash equivalents are considered to be investments purchased with original maturities of three months or less, unless designated for investment purposes.

Investments - Investments in equity and debt securities are reported at their fair values based on quoted market prices in the statements of financial position. Realized gains or losses on the sale of securities are based on specific identification of the cost of securities sold. Unrealized and realized gains and losses are included in the statements of activities.

Functional Allocation of Expenses - The costs of providing the various program services and supporting services have been summarized on a functional basis in the statements of activities. Expenses that can be identified directly are charged as incurred. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and fringes are allocated based on time and effort. All other non-direct expenses are calculated based on the percentage of total salaries and benefits.

Fair Value Measurements - ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that BCI has the ability to access.

Level 2 Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

BAT CONSERVATION INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements - continued

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022.

Domestic equities, money markets, mutual funds, and fixed income fair values are based on quoted market prices in the statements of financial position.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while BCI believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Accounts Receivable - Accounts receivable are recorded at the amount BCI expects to collect on outstanding balances. BCI has not set up an allowance for uncollectible receivables at June 30, 2022 and 2021, because management estimates all balances to be collectible. Management closely monitors outstanding balances and write offs.

Grants Receivable - Grants receivable are recognized as grant revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of benefits received. Grants receivable are recorded at net realizable value if expected to be collected in one year and at the present value of their estimated future cash flows if expected to be collected in more than one year, unless otherwise noted. Conditional promises to give are recognized when the condition on which they depend is substantially met.

Property and Equipment - Purchases of property and equipment are capitalized at cost if purchased and at fair market value at the date of the receipt if donated. BCI capitalizes all acquisitions in excess of \$5,000 with a useful life greater than one year. Depreciation is computed using the straight-line method and the following estimated useful lives:

Buildings	33 years
Property improvements	10-15 years
Vehicles	5 years
Furniture and equipment	3-5 years

BAT CONSERVATION INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contract Services Revenue - Contract services revenues are earned and recognized when the contract services have been provided.

Grant Revenue Recognition - Revenue from grants received from federal, state, and local governments are earned based on BCI incurring allowable costs or providing services. Therefore, revenue is recognized as those costs are incurred or the services are provided. Revenue from grants received from private donors is recognized as earned based on grant specifications or as unconditional contributions if no grant specifications exist.

Education and Workshops Revenue and Deferred Revenue - Education and workshops revenue is earned and recognized when the event, seminar, or workshop has been held. Deferred revenue consists of cash that has been received for future events or workshops and will be recognized once the event has taken place.

Contribution Revenue - All contributions are recorded at their fair value and are considered to be available for operations of BCI unless specifically restricted by the donor. Unconditional pledges to give cash and other assets are reported as net assets with donor restrictions, if they are received with donor stipulations that limit the use of donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or restricted purpose is accomplished, the related net assets with donor restrictions are reclassified to net assets without donor restrictions. This is reported in the statement of activities as assets released from restrictions. Conditional pledges to give are recognized only when the conditions on which they depend are substantially met and pledges become unconditional.

Advertising - Advertising costs are expensed when incurred. Advertising expense was \$34,201 and \$16,636 for the years ended June 30, 2022 and 2021, respectively.

Donated Services and Materials - Donated services and materials are reflected in the statement of activities as in-kind revenue at their fair value on the date of receipt. Donated services are recognized by BCI if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Federal Income Tax Status - BCI is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, except for any unrelated business activities. BCI is subject to routine examinations of its returns; however, there are no examinations currently in progress. The June 30, 2018, and subsequent tax years remain subject to examination by the Internal Revenue Service.

BCI has adopted ASC 740-10, *Accounting for Uncertainty in Income Taxes*. That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in financial statements. It also provided guidance for de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

BAT CONSERVATION INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Recently Issued Accounting Pronouncements - In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires the recognition of lease assets and lease liabilities by lessees for all leases, including leases previously classified as operating leases, and modifies the classification criteria and accounting for sales-type and direct financing leases by lessors. Leases continue to be classified as financing or operating leases by lessees and both classifications require the recognition of a right-of-use asset and a lease liability, initially measured at the present value of the lease payments in the statements of financial position. Interest on the lease liability and amortization of the right-of-use asset are recognized separately in the statements of activities for finance leases and as a single lease cost recognized on the straight-line basis over the lease term for operating leases. The standard is effective using a modified retrospective approach for fiscal years beginning after December 15, 2021, and early adoption is permitted. BCI is currently evaluating the impact the standard will have on its financial statements.

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU is expected to increase transparency around contributed nonfinancial assets (also known as “gifts-in-kind”) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. BCI adopted the ASU during the year ended June 30, 2022, and applied the ASU retrospectively to the year ended June 30, 2021. BCI did not receive any significant contributed nonfinancial assets during the years ended June 30, 2022 and 2021.

Subsequent Events - Management of BCI has evaluated subsequent events for disclosure through the date of the Independent Auditors' Report, the date the financial statements were available to be issued.

3. CONCENTRATIONS

Financial instruments that potentially subject BCI to credit risk consist of cash and cash equivalents and receivables. BCI places its cash and cash equivalents with a limited number of high quality financial institutions and at times may exceed the amount of insurance provided on such deposits. At June 30, 2022, BCI held \$3,078,825 in deposits in excess of FDIC and SIPC insurance coverage. Management believes no significant risk exists with respect to cash and cash equivalents. BCI does not maintain collateral for its receivables and does not believe significant risk exists at June 30, 2022 and 2021.

BAT CONSERVATION INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	2022	2021
Real property and improvements (bat habitat)	\$ 6,522,792	\$ 6,522,792
Buildings and improvements	487,673	331,968
Furniture and equipment	649,963	642,444
Vehicles	187,655	187,655
	7,848,083	7,684,859
Less accumulated depreciation	(991,332)	(923,394)
Property and equipment, net	\$ 6,856,751	\$ 6,761,465

Depreciation expense for property and equipment was \$67,938 and \$78,943 for the years ended June 30, 2022 and 2021, respectively.

BCI held a building available for sale with a carrying value of \$120,994. On March 8, 2021, the building was sold for \$2,475,000 and included in the sale was a leaseback of 1,059 square feet of office space through February of 2023. The estimated monthly value of the office space is \$2,118. See Note 11.

5. INVESTMENTS

Investments consisted of the following at June 30, 2022:

	Fair Value	Fair Value Measurements Using:		
		Active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Money Market	\$ 20,890	\$ 20,890	\$ -	\$ -
Mutual Funds	4,084,909	4,084,909	-	-
Total Investments	\$ 4,105,799	\$ 4,105,799	\$ -	\$ -

BAT CONSERVATION INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

5. INVESTMENTS - CONTINUED

Investments consisted of the following at June 30, 2021:

	Fair Value	Fair Value Measurements Using:		
		Active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Mutual Funds	\$ 9,048	\$ 5,657	\$ -	\$ -
Domestic Equities	3,268,758	2,205,178	-	-
Total Investments	\$ 3,277,806	\$ 2,210,835	\$ -	\$ -

Investment return, net consisted of the following for the years ended June 30:

	2022	2021
Interest and dividends	\$ 166,765	\$ 72,344
Net realized (losses) gains	-	(29,640)
Net unrealized (losses) gains	(818,060)	582,457
	\$ (651,295)	\$ 625,161

6. ENDOWMENT FUNDS

BCI's endowments consist of two donor restricted funds established for science, conservation, and education and a portion that is board designated. The Board of Directors of BCI interpret the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Net assets with donor restrictions are classified at the original value of gifts donated to the endowment, plus the original value of subsequent gifts to the endowment. Also included are accumulations to the endowment if directed by the donor gift instrument. The remaining portion of the donor restricted endowment fund is classified as net assets with donor restrictions until those funds are appropriated for expenditure by BCI in a manner consistent with the standard of prudence prescribed by UPMIFA. The portion that is board designated is classified as net assets without restrictions - board designated.

BAT CONSERVATION INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

6. ENDOWMENT FUNDS - CONTINUED

BCI has investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under the investment policy approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results as stated in BCI's policy while assuming a moderate level of investment risk. BCI expects its endowment funds, over time, to provide an average rate of return of approximately 3 percent over the Consumer Price Index ("CPI") annually. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, BCI relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). BCI targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

BCI has a policy of appropriating for distribution each year no more than 5 percent of its endowment fund's fair value through the fiscal year in which the distribution is planned based on the distribution policy. In establishing this policy, BCI considered the long-term expected return on its endowment. Accordingly, over the long term, BCI expects the current spending policy to preserve its endowment. This is consistent with BCI's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified time as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets were as follows:

	Without Donor Restrictions	With Donor Restrictions		Total
	Board Designated	Time or Purpose	In Perpetuity	
Endowment net assets at July 1, 2020	\$ 1,083,011	\$ 548,258	\$ 579,566	\$ 2,210,835
Board designation	500,000	-	-	500,000
Investment return	299,089	267,882	-	566,971
Appropriated for expense	-	-	-	-
Endowment net assets at June 30, 2021	1,882,100	816,140	579,566	3,277,806
Board designation	1,500,000	-	-	1,500,000
Addition to Endowment	-	-	-	-
Investment return	(476,330)	(195,677)	-	(672,007)
Appropriated for expense	-	-	-	-
Endowment net assets at June 30, 2022	<u>\$ 2,905,770</u>	<u>\$ 620,463</u>	<u>\$ 579,566</u>	<u>\$ 4,105,799</u>

BAT CONSERVATION INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

6. ENDOWMENT FUNDS - CONTINUED

A description of amounts classified as net assets with donor restrictions in perpetuity is as follows for:

The portion of perpetual endowments funds that is required to be retained permanently either by explicit donor stipulations or by UPMIFA with the following purpose restrictions:

	2022	2021
Science and conservation	\$ 199,779	\$ 199,779
Education	379,787	379,787
	\$ 579,566	\$ 579,566

7. DONATED SERVICES AND MATERIALS

Donated services are recognized as contributions if the services (1) create or enhance non-financial assets, or (2) require special skills, are performed by people with those skills, and would otherwise be purchased by BCI. Under those criteria, donated professional services and materials are reflected as contribution revenue at their estimated fair value at the date of receipt and are expensed or capitalized as appropriate. See Notes 4 and 11.

In addition, many individuals volunteer their time and perform a variety of tasks that assist BCI with their programs. For the years ended June 30, 2022 and 2021, 140 and 120 volunteers, respectively, donated their time that did not meet the recognition criteria above and thus their value was not recorded in the financial statements.

8. RETIREMENT PLAN

BCI maintains a 401(k) retirement plan that allows employee elective deferrals up to the maximum amount allowed by law. Participants may make a separate election to defer up to 90 percent of any bonus compensation. BCI makes matching contributions up to 4% of a participants compensation. BCI made matching contributions of \$113,689 and \$86,628 for the years ended June 30, 2022 and 2021, respectively.

BAT CONSERVATION INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

9. RESTRICTED NET ASSETS

Net assets with donor restrictions were restricted for the following purposes at June 30:

	2022	2021
Time or Purpose		
Bracken cave	\$ 20,980	\$ 127,915
Endangered bats	550,000	793,717
Endowment earnings	620,463	816,141
Habitat restoration	-	34,977
Networks and partnerships	71,027	28,765
Other	500	5,850
Public lands program	7,096	-
Small grants	41,581	-
Strategic plan	2,500,000	-
White nose syndrome programs	143,855	303,160
	3,955,502	2,110,525
In Perpetuity		
Bracken preserve	1,522,792	1,522,792
Endowment	579,566	579,566
Galo tract	4,729,748	4,729,748
	6,832,106	6,832,106
	\$ 10,787,608	\$ 8,942,631

10. RELATED PARTY TRANSACTIONS

Certain members of the Board of Directors of BCI contributed \$91,790 and \$79,240 during the years ended June 30, 2022 and 2021, respectively.

11. OPERATING LEASES

BCI leases office space in Washington, DC and Austin, Texas. The lease terms run through February 2024, with monthly rent at \$4,285 per month and increasing to \$4,908 per month during the term of the lease. BCI also is receiving in-kind rent for a sales leaseback of their property in Austin, Texas. The rental value is \$2,118 per month and the in-kind portion is 100% through February 2022 and then 50% through February 2023. Starting in March 2023 rent will be \$1,942 per month until February 2024. For the years ended June 30, 2022 and 2021, rent expense totaled \$56,552 and \$55,039, respectively.

BAT CONSERVATION INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

11. OPERATING LEASES - CONTINUED

The total future minimum lease payments required under this agreement are as follows:

Year Ending	
2023	\$ 71,478
2024	15,532
Total	\$ 87,010

BCI subleased its Austin office space to another organization. The lease term ended in February 2021 with the sale of the building. Rent is \$5,304 per month and increases to \$5,746 per month during the term of the lease. For the year ended June 30, 2021, rental income totaled \$10,887.

12. AVAILABILITY AND LIQUIDITY

The following represents BCI's financial assets at June 30:

	2022	2021
Financial assets at year-end		
Cash and cash equivalents	\$ 3,578,824	\$ 4,343,472
Accounts and grants receivable	995,518	477,945
Investments	4,105,799	3,277,806
Total financial assets at year-end	8,680,141	8,099,223
Less amounts not available to be used within one year:		
Net assets with donor restrictions - time or purpose	3,955,502	2,110,525
Less amounts available through spending policy	(135,000)	(51,750)
Board designated endowment	2,905,770	1,882,100
Donor restricted endowments	579,566	579,566
	7,305,838	4,520,441
Financial assets available to meet cash needs for general expenditures over the next year	\$ 1,374,303	\$ 3,578,782

BCI's liquidity goal is to consistently maintain enough liquid cash to meet three to six months of operating expenses. To help ensure BCI meets this liquidity goal, the BCI Board has designated that \$700,000 be maintained as a Prudent Reserve, which should not be spent on day-to-day operations. Additionally, the BCI Board has maintained additional board-designated funds, such as a Strategic Plan Fund, to reserve additional cash for special projects.

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Bat Conservation International, Inc.

We have audited, in accordance with the 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, the financial statements of Bat Conservation International, Inc. (BCI), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 12, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered BCI's internal controls over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of BCI's internal control. Accordingly, we do not express an opinion on the effectiveness of BCI's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether BCI'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 matter that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Austin, Texas

January 12, 2023



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Independent Auditors' Report

Board of Directors
Bat Conservation International, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bat Conservation International, Inc.'s (BCI) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of BCI's major federal programs for the year ended June 30, 2022. BCI's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

In our opinion, BCI complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of BCI and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of BCI's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to BCI's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on BCI's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about BCI's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding BCI's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of BCI's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of BCI's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance is a deficiency*, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Austin, Texas

January 12, 2023

**BAT CONSERVATION INTERNATIONAL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Federal Grantor/Program Title/Pass-through Grantor</u>	<u>Federal CFDA Number</u>	<u>Grant/ Contract Number</u>	<u>Federal Expenditures</u>	<u>Pass-through to Subrecipients</u>
<u>United States Department of Agriculture</u>				
International Forestry Programs				
USFS R3 AML	10.684	17-CS-11132422-133	\$ 23,686	\$ -
USFS Agave	10.684	18-DG-11132762-408	7,372	3,900
USFS Bat Week	10.684	19-CS-11132422-161	15,001	-
			<u>46,059</u>	<u>3,900</u>
Partnership Agreements				
USFS National NABat	10.699	17-CS-11132422-163	145,211	-
USFS R9 NABat	10.699	21-CS-11090100-020	21,290	-
USFS R4 NABat	10.699	22-CS-11046000-025	2,530	-
			<u>169,031</u>	<u>-</u>
Soil and Water Conservation				
NRCS NM Water 2020-21	10.902	NR208C30XXXXXC014	17,875	-
Total United States Department of Agriculture			<u>232,965</u>	<u>3,900</u>
<u>Department of the Interior</u>				
Wildlife Resource Management				
BLM Wildlife Program Medford Winter Bat Surveys	15.247	L19AC00189	874	-
BLM WY	15.247	L19AC00111	4,519	-
BLM 2020-2025	15.247	L20AC00405	852,476	-
			<u>857,869</u>	<u>-</u>
Wildlife Restoration and Basic Hunter Education				
USFWS via TPWD, WNS TX	15.611	529448	73,159	-

BAT CONSERVATION INTERNATIONAL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

<u>Federal Grantor/Program Title/Pass-through Grantor</u>	<u>Federal CFDA Number</u>	<u>Grant/ Contract Number</u>	<u>Federal Expenditures</u>	<u>Pass-through to Subrecipients</u>
<u>Department of the Interior - Continued</u>				
State Wildlife Grants				
USFWS via AZGFD, Beatty Pond	15.634	F20AF11779	\$ 24,425	\$ -
Endangered Species Conservation Recovery Implementation Funds				
USFWS FBB	15.657	F20AP12097	6,817	-
USFWS Acoustic Phenology	15.657	F20AP00232	14,868	-
USFWS via NFWF, BFF Fat Bat	15.657	0406.19.066724	130,977	-
USFWS via NFWF, BFF ROW	15.657	0406.21.072572	36,476	-
USFWS USAF NABat	15.657	F22AC00158	6,181	-
USFWS USAF Little Rock Legacy	15.657	F21AC00525-00	10,513	-
			<u>205,832</u>	<u>-</u>
Cooperative Ecosystem Studies Units				
USFWS NABat Western Hubs	15.678	F20AC10929	190,595	-
White-nose Syndrome National Response Implementation				
USFWS WNS Desert Springs	15.684	F22AP01278	1,463	-
U.S. Geological Survey Research and Data Collection				
USGS CESU NABat	15.808	G18AC00331	56,588	-
USGS One Health	15.808	G21AC10783	224,565	-
			<u>281,153</u>	<u>-</u>
Cooperative Research and Training Programs				
NPS Pacific West Region	15.945	P17AC01705	31,498	-
NPS Death Valley Tucki	15.945	P19AC01198	6,288	-

BAT CONSERVATION INTERNATIONAL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

<u>Federal Grantor/Program Title/Pass-through Grantor</u>	<u>Federal CFDA Number</u>	<u>Grant/ Contract Number</u>	<u>Federal Expenditures</u>	<u>Pass-through to Subrecipients</u>
<u>Department of the Interior - Continued</u>				
Cooperative Research and Training Programs - Continued				
NPS Zion Ntl Park	15.945	P19AC00793	\$ 74,706	\$ -
NPS KLMN & MOJIN	15.945	P20AC01110	24,634	-
NPS GLCA WNS Monitoring	15.945	P21AC11415	39,051	-
NPS Mojave AML Surveys	15.945	P21AC11432	26,022	-
NPS Death Valley Lippincott	15.945	P22AC00547	14,649	-
NPS via NMSU, WSMR Fairview Mine	15.945	Q01964	1,451	-
NPS via NMSU, WSMR Craven Cave	15.945	Q02054	1,771	-
NPS via NMSU, WSMR Monitoring	15.945	Q02310	11,816	-
			<u>231,886</u>	<u>-</u>
Total Department of Interior			<u>1,866,382</u>	<u>-</u>
<u>The Department of Energy</u>				
Conservation Research and Development				
DOE DRUM	81.086	DE-LM0000483	555,482	-
Renewable Energy Research and Development				
DOE via EPRI, TIMR Smart Curtailment	81.087	10011751	464,548	-
DOE via EPRI, Video Behavior	81.087	10015546	81,677	-
DOE via AWWI, VBPS	81.087	DOE-BC-8729-00	298,377	-
			<u>844,602</u>	<u>-</u>
Total Department of Energy			<u>1,400,084</u>	<u>-</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,499,431</u></u>	<u><u>\$ 3,900</u></u>

BAT CONSERVATION INTERNATIONAL, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of BCI under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of BCI, it is not intended to and does not present the financial position, changes in net assets, or cash flows of BCI.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATES

BCI has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

BAT CONSERVATION INTERNATIONAL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ___ Yes X None Reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ___ Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? ___ Yes X No

Identification of major programs:

CFDA No.	Name of Federal Program
81.087	Renewable Energy Research and Development

Dollar threshold used to distinguish between Type A and Type B programs \$ 750,000

Auditee qualified as low-risk auditee? X Yes ___ No

BAT CONSERVATION INTERNATIONAL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

II. Financial Statement Findings

No matters were reported

III. Findings and Questioned Costs for Federal Awards

No matters were reported

BAT CONSERVATION INTERNATIONAL, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

None reported