

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

**JUNE 30, 2023 AND 2022**

**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, 2023 and 2022, 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, 2023 and 2022, 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 Auditors' 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.

## **Auditors' 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 December 6, 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's internal control over financial reporting and compliance.



Austin, Texas

December 6, 2023

**BAT CONSERVATION INTERNATIONAL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 3,496,014	\$ 3,578,824
Accounts and grants receivable	1,061,400	995,518
Prepaid expenses	147,721	298,291
Total current assets	4,705,135	4,872,633
Property and equipment, net	6,909,526	6,856,751
Investments	25,131,535	4,105,799
Total assets	\$ 36,746,196	\$ 15,835,183
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 183,775	\$ 240,219
Accrued expenses	851,662	624,122
Deferred revenue	25,007	222,452
Total current liabilities	1,060,444	1,086,793
Total liabilities	1,060,444	1,086,793
Net assets		
Without donor restrictions		
Undesignated	4,626,034	1,055,012
Board designated	3,153,174	2,905,770
With donor restrictions		
Time or purpose	11,074,438	3,955,502
In perpetuity	16,832,106	6,832,106
Total net assets	35,685,752	14,748,390
Total liabilities and net assets	\$ 36,746,196	\$ 15,835,183

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

**BAT CONSERVATION INTERNATIONAL, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

	Without Donor	With Donor Restrictions		Total
	Restrictions	Time or Purpose	In Perpetuity	
<b>Revenues</b>				
Contribution	\$ 5,816,843	\$10,618,811	\$10,000,000	\$ 26,435,654
Government grants and contracts	4,326,065	-	-	4,326,065
Investment return, net	498,560	289,533	-	788,093
Corporate contracts	311,019	-	-	311,019
Catalog sales, net of costs	43,954	-	-	43,954
Education and workshops revenue	300	-	-	300
Other revenue	53,411	-	-	53,411
<b>Total revenues</b>	<b>11,050,152</b>	<b>10,908,344</b>	<b>10,000,000</b>	<b>31,958,496</b>
Assets released from restrictions	3,789,408	(3,789,408)	-	-
<b>Total revenues and assets released from restrictions</b>	<b>14,839,560</b>	<b>7,118,936</b>	<b>10,000,000</b>	<b>31,958,496</b>
<b>Expenses</b>				
Program services:				
Science and conservation program	8,875,065	-	-	8,875,065
Education program	1,017,286	-	-	1,017,286
<b>Total program services</b>	<b>9,892,351</b>	<b>-</b>	<b>-</b>	<b>9,892,351</b>
Support services:				
Fundraising and development	729,928	-	-	729,928
General and administrative	398,855	-	-	398,855
<b>Total support services</b>	<b>1,128,783</b>	<b>-</b>	<b>-</b>	<b>1,128,783</b>
<b>Total expenses</b>	<b>11,021,134</b>	<b>-</b>	<b>-</b>	<b>11,021,134</b>
Change in net assets	3,818,426	7,118,936	10,000,000	20,937,362
Net assets at beginning of year	3,960,782	3,955,502	6,832,106	14,748,390
Net assets at end of year	\$ 7,779,208	\$11,074,438	\$16,832,106	\$ 35,685,752

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	
<b>Revenues</b>				
Contribution	\$ 2,310,483	\$ 3,590,990	\$ -	\$ 5,901,473
Government grants and contracts	3,530,519	-	-	3,530,519
Investment return, net	(455,618)	(195,677)	-	(651,295)
Corporate contracts	314,187	-	-	314,187
Catalog sales, net of costs	10,887	-	-	10,887
Education and workshops revenue	-	-	-	-
Other revenue	83,432	-	-	83,432
<b>Total revenues</b>	<b>5,793,890</b>	<b>3,395,313</b>	<b>-</b>	<b>9,189,203</b>
Assets released from restrictions	1,550,336	(1,550,336)	-	-
<b>Total revenues and assets released from restrictions</b>	<b>7,344,226</b>	<b>1,844,977</b>	<b>-</b>	<b>9,189,203</b>
<b>Expenses</b>				
Program services:				
Science and conservation program	6,956,090	-	-	6,956,090
Education program	586,949	-	-	586,949
<b>Total program services</b>	<b>7,543,039</b>	<b>-</b>	<b>-</b>	<b>7,543,039</b>
Support services:				
Fundraising and development	675,798	-	-	675,798
General and administrative	282,144	-	-	282,144
<b>Total support services</b>	<b>957,942</b>	<b>-</b>	<b>-</b>	<b>957,942</b>
<b>Total expenses</b>	<b>8,500,981</b>	<b>-</b>	<b>-</b>	<b>8,500,981</b>
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 FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2023**

	Fundraising				Total
	Science and Conservation	Education	Development and	General and Administrative	
Consulting and professional fees	\$ 1,459,078	\$ 223,904	\$ 51,865	\$ 35,736	\$ 1,770,583
Grants to others and scholarships	625,990	-	-	-	625,990
Hospitality and member benefits	3,857	297	843	498	5,495
In-kind expense	8,479	657	471	1,612	11,219
Office and occupancy	110,853	12,068	7,674	19,186	149,781
Other operating expenses	902,832	102,731	164,979	72,469	1,243,011
Printing and publication	13,879	18,276	23,574	210	55,939
Salaries, wages, and benefits	4,618,083	555,372	419,247	206,658	5,799,360
Telecommunications and postage	71,827	18,421	22,453	4,064	116,765
Travel and related expenses	997,810	64,098	38,759	58,208	1,158,875
	<u>8,812,688</u>	<u>995,824</u>	<u>729,865</u>	<u>398,641</u>	<u>10,937,018</u>
Depreciation	<u>62,377</u>	<u>21,462</u>	<u>63</u>	<u>214</u>	<u>84,116</u>
Total expenses	<u>\$ 8,875,065</u>	<u>\$ 1,017,286</u>	<u>\$ 729,928</u>	<u>\$ 398,855</u>	<u>\$ 11,021,134</u>

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

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

	Science and Conservation	Education	Fundraising and Development	General and Administrative	Total
Consulting and professional fees	\$ 1,224,316	\$ 117,780	\$ 51,222	\$ 40,235	\$ 1,433,553
Grants to others and scholarships	403,856	-	-	-	403,856
Hospitality and member benefits	3,175	82	1,601	254	5,112
In-kind expense	16,425	1,066	1,211	2,478	21,180
Office and occupancy	101,301	6,577	7,471	15,278	130,627
Other operating expenses	781,123	42,901	118,199	55,372	997,595
Printing and publication	5,694	32,216	19,312	13	57,235
Salaries, wages, and benefits	3,681,825	326,281	441,017	154,500	4,603,623
Telecommunications and postage	66,542	14,954	22,805	6,035	110,336
Travel and related expenses	629,370	20,238	12,792	7,526	669,926
	<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.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 20,937,362	\$ 688,222
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation expense	84,116	67,938
Dividends reinvested	(760,316)	(166,765)
Net realized and unrealized losses (gains) on investments	(27,777)	818,060
Changes in operating assets and liabilities:		
Accounts and grants receivable	(65,882)	(517,573)
Prepaid expenses	150,570	(182,428)
Accounts payable	(56,444)	12,404
Accrued expenses	227,540	59,971
Deferred revenue	(197,445)	98,035
Net cash provided (used) by operating activities	20,291,724	877,864
<b>Cash flows from investing activities:</b>		
Proceeds from the sale of investments	4,833	-
Purchase of investments	(20,242,476)	(1,479,288)
Purchase of property and equipment	(136,891)	(163,224)
Net cash provided (used) by investing activities	(20,374,534)	(1,642,512)
<b>Cash flows from financing activities:</b>		
Net cash provided (used) by financing activities	-	-
Net increase (decrease) in cash and cash equivalents	(82,810)	(764,648)
Beginning cash and cash equivalents	3,578,824	4,343,472
Ending cash and cash equivalents	\$ 3,496,014	\$ 3,578,824
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, 2023 AND 2022**

**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 \$10,579,566 and \$576,566 for 2023 and 2022, respectively, 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 \$16,832,106 and \$6,832,106 at June 30, 2023 and 2022.

**BAT CONSERVATION INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**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, 2023 AND 2022**

**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, 2023.

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, 2023 and 2022, 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, 2023 AND 2022**

**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 \$194,422 and \$34,201 for the years ended June 30, 2023 and 2022, 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, 2020, 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, 2023 AND 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Newly Adopted Accounting Pronouncements** - Effective July 1, 2022, BCI adopted the new lease accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. BCI has elected the package of practical expedients permitted in FASB Accounting Standards Codification (ASC) Topic 842. As of June 30, 2023, BCI has no operating leases.

**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, 2023, BCI held \$2,752,107 in deposits in excess of FDIC 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, 2023 and 2022.

**4. PROPERTY AND EQUIPMENT**

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

	2023	2022
Real property and improvements (bat habitat)	\$ 6,522,792	\$ 6,522,792
Buildings and improvements	487,673	487,673
Furniture and equipment	731,554	649,963
Vehicles	242,955	187,655
	7,984,974	7,848,083
Less accumulated depreciation	(1,075,448)	(991,332)
	\$ 6,909,526	\$ 6,856,751

Depreciation expense for property and equipment was \$84,116 and \$67,938 for the years ended June 30, 2023 and 2022, respectively.

**BAT CONSERVATION INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**5. INVESTMENTS**

Investments consisted of the following at June 30, 2023:

	Fair Value	Fair Value Measurements Using:		
		Active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Cash	\$ 1,238,316	\$ 1,238,316	\$ -	\$ -
Government money market	394,134	394,134	-	-
Mutual funds	22,258,225	22,258,225	-	-
Domestic equities	1,240,860	1,240,860	-	-
<b>Total Investments</b>	<b>\$ 25,131,535</b>	<b>\$ 25,131,535</b>	<b>\$ -</b>	<b>\$ -</b>

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
Cash	\$ -	\$ -	\$ -	\$ -
Government money market	-	-	-	-
Mutual funds	20,890	20,890	-	-
Domestic equities	4,084,909	4,084,909	-	-
<b>Total Investments</b>	<b>\$ 4,105,799</b>	<b>\$ 4,105,799</b>	<b>\$ -</b>	<b>\$ -</b>

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

	2023	2022
Interest and dividends	\$ 760,316	\$ 166,765
Net realized (losses) gains	8,043	-
Net unrealized (losses) gains	19,734	(818,060)
	<b>\$ 788,093</b>	<b>\$ (651,295)</b>

**BAT CONSERVATION INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**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.

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.

**BAT CONSERVATION INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**6. ENDOWMENT FUNDS - CONTINUED**

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, 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	2,905,770	620,463	579,566	4,105,799
Board designation	-	-	-	-
Addition to Endowment	-	-	10,000,000	10,000,000
Investment return	247,404	289,533	-	536,937
Appropriated for expense	-	(5,017)	-	(5,017)
Endowment net assets at June 30, 2023	<u>\$ 3,153,174</u>	<u>\$ 904,979</u>	<u>\$ 10,579,566</u>	<u>\$ 14,637,719</u>

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:

	2023	2022
Science and conservation	\$ 199,779	\$ 199,779
Bat conservation	10,000,000	-
Education	379,787	379,787
	<u>\$ 10,579,566</u>	<u>\$ 579,566</u>

**BAT CONSERVATION INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**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.

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, 2023 and 2022, 200 and 140 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 \$149,837 and \$113,689 for the years ended June 30, 2023 and 2022, respectively.

**9. RESTRICTED NET ASSETS**

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

	2023	2022
Time or Purpose		
Bracken cave	\$ 5,909	\$ 20,980
Endangered bats	476,402	550,000
Endowment earnings	722,636	620,463
Endowment for bat conservation earnings	182,344	-
Habitat restoration	214,062	-
Networks and partnerships	292,052	71,027
Other	95,321	500
Public lands program	-	7,096
Small grants	21,592	41,581
Strategic plan	8,744,802	2,500,000
White nose syndrome programs	319,318	143,855
	11,074,438	3,955,502

**BAT CONSERVATION INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**9. RESTRICTED NET ASSETS - CONTINUED**

	2023	2022
In Perpetuity		
Bracken preserve	1,522,792	1,522,792
Endowment	579,566	579,566
Endowment for bat conservation	10,000,000	-
Galo tract	4,729,748	4,729,748
	16,832,106	6,832,106
	\$ 27,906,544	\$ 10,787,608

**10. RELATED PARTY TRANSACTIONS**

Certain members of the Board of Directors of BCI contributed \$115,113 and \$91,790 during the years ended June 30, 2023 and 2022, respectively.

**11. AVAILABILITY AND LIQUIDITY**

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

	2023	2022
Financial assets at year-end		
Cash and cash equivalents	\$ 3,496,014	\$ 3,578,824
Accounts and grants receivable	1,061,400	995,518
Investments	25,131,535	4,105,799
Total financial assets at year-end	29,688,949	8,680,141
Less amounts not available to be used within one year:		
Net assets with donor restrictions - time or purpose	11,074,438	3,955,502
Less amounts available through spending policy	(668,960)	(135,000)
Board designated endowment	3,153,174	2,905,770
Donor restricted endowments	10,579,566	579,566
	24,138,218	7,305,838
Financial assets available to meet cash needs for general expenditures over the next year	\$ 5,550,731	\$ 1,374,303

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, 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, and have issued our report thereon dated December 6, 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.

*Atchley & Associates LLP*

Austin, Texas

December 6, 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, 2023. 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, 2023.

***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.

### ***Auditors' 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.

*Atchley & Associates LLP*

Austin, Texas  
December 6, 2023

**BAT CONSERVATION INTERNATIONAL, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<u>Federal Grantor/Program Title/Pass-through Grantor</u>	<u>Federal AL Number</u>	<u>Grant/ Contract Number</u>	<u>Federal Expenditures</u>	<u>Pass-through to Subrecipients</u>
<u>United States Department of Agriculture</u>				
National Fish and Wildlife Foundation	10.683	0126.22.074100	\$ 44,996	\$ -
USFS via NFWF, Community-Based Engagement				
International Forestry Programs				
USFS Agave	10.684	18-DG-11132762-408	9,095	23,195
USFS Bat Week	10.684	22-CS-11132422-383	10,000	-
			<u>19,095</u>	<u>23,195</u>
Partnership Agreements				
USFS National NABat	10.699	17-CS-11132422-163	17,430	-
USFS R3 Santa Rita AML	10.699	22-CS-11031600-201	25,060	-
USFS R4 NABat	10.699	22-CS-11046000-025	15,475	-
USFS R6 NDPL	10.699	22-CS-11062754-028	56	-
USFS R9 NDPL	10.699	22-CS-11090100-026	35,053	-
USFS R2 Black Hills NDPL	10.699	23-CS-11020300-035	70	-
USFS Shush Kin Fen	10.699	23-CS-11030300-117	10,000	-
USFS R3 Tonto AML	10.699	23-CS-11031600-070	23,905	-
USFS R5 AML Surveys	10.699	23-CS-11052000-001	9,820	-
USFS R5 NDPL	10.699	23-CS-11052000-007	16,510	-
USFS R6 Navy NDPL	10.699	23-CS-11261993-015	9,508	-
			<u>162,887</u>	<u>-</u>
Total United States Department of Agriculture			<u>226,978</u>	<u>23,195</u>

**BAT CONSERVATION INTERNATIONAL, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<u>Federal Grantor/Program Title/Pass-through Grantor</u>	<u>Federal AL Number</u>	<u>Grant/ Contract Number</u>	<u>Federal Expenditures</u>	<u>Pass-through to Subrecipients</u>
<u>Department of the Interior</u>				
Wildlife Resource Management				
BLM WY	15.247	L19AC00111	\$ 28,300	\$ -
BLM 2020-2025	15.247	L20AC00405	835,466	-
BLM Upper Gila Basin	15.247	L22AC00238	43,184	-
			<u>906,950</u>	<u>-</u>
Wildlife Restoration and Basic Hunter Education				
USFWS via TPWD, WNS TX	15.611	529448	68,245	-
USFWS via TPWD, MYVE	15.611	CA-0004343	64,811	-
			<u>133,056</u>	<u>-</u>
Endangered Species Conservation Recovery Implementation Funds				
USFWS via NFWF, BFF ROW	15.657	0406.21.072572	76,178	-
USFWS via NFWF, RNAi	15.657	0406.22.076215	6,991	-
USFWS Acoustic Phenology	15.657	F20AP00232	34,694	-
USFWS FBB	15.657	F20AP12097	43,183	-
USFWS USAF Little Rock Legacy	15.657	F21AC00525	14,131	-
USFWS USAF NABat	15.657	F22AC00158	1,317	-
			<u>176,494</u>	<u>-</u>
Fish and Wildlife Coordination and Assistance Programs				
USFWS MENTOR-Bat	15.664	F23AC01105	3,197	-
Cooperative Ecosystem Studies Units				
USFWS NABat Western Hubs	15.678	F20AC10929	163,194	-

**BAT CONSERVATION INTERNATIONAL, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<u>Federal Grantor/Program Title/Pass-through Grantor</u>	<u>Federal AL Number</u>	<u>Grant/ Contract Number</u>	<u>Federal Expenditures</u>	<u>Pass-through to Subrecipients</u>
<u>Department of the Interior - Continued</u>				
White-nose Syndrome National Response Implementation				
USFWS WNS Desert Springs	15.684	F22AP01278	\$ 13,971	-
USFWS Site Prioritization	15.684	F23AC01165	4,655	
			<u>18,626</u>	<u>-</u>
U.S. Geological Survey Research and Data Collection				
USGS CESU NABat	15.808	G18AC00331	90,913	-
USGS One Health	15.808	G21AC10783	434,358	87,596
			<u>525,271</u>	<u>87,596</u>
Cooperative Research and Training Programs				
NPS Pacific West Region	15.945	P17AC01705	61,429	-
NPS Zion Ntl Park	15.945	P19AC00793	73,204	-
NPS KLMN & MOJN	15.945	P20AC01110	45,372	-
NPS GLCA WNS Monitoring	15.945	P21AC11415	5,205	-
NPS Mojave AML Surveys	15.945	P21AC11432	2,826	-
NPS Death Valley Lippincott	15.945	P22AC00547	18,226	-
NPS Organ Pipe	15.945	P22AC00878	12,022	-
NPS BITH	15.945	P22AC01685	12,003	-
NPS via NMSU, WSMR Monitoring	15.945	Q02310	18,493	-
			<u>248,780</u>	<u>-</u>
Total Department of Interior			<u>2,175,568</u>	<u>87,596</u>

**BAT CONSERVATION INTERNATIONAL, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<u>Federal Grantor/Program Title/Pass-through Grantor</u>	<u>Federal AL Number</u>	<u>Grant/ Contract Number</u>	<u>Federal Expenditures</u>	<u>Pass-through to Subrecipients</u>
<u>The Department of Energy</u>				
Conservation Research and Development	81.086	DE-LM0000483	\$ 958,352	\$ -
DOE DRUM				
Renewable Energy Research and Development				
DOE via EPRI, TIMR Smart Curtailment	81.087	10011751	261,097	-
DOE via EPRI, Video Behavior	81.087	10015546	140,777	-
DOE via EPRI, Offshore	81.087	10016784	1,049	
DOE via AWWI, VBPS	81.087	DOE-BC-8729-00	252,865	-
			655,788	-
Total Department of Energy			1,614,140	-
<b>Total Expenditures of Federal Awards</b>			<b>\$ 4,016,686</b>	<b>\$ 110,791</b>



**BAT CONSERVATION INTERNATIONAL, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**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, 2023. 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, 2023**

**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:

AL No.	Name of Federal Program
81.086	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, 2023**

**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, 2023**

None reported