CELEBRATING 2022

Our Vision: BHIC champions the sustainability of barrier islands through environmental research and stewardship

Our Mission: We Discover, Learn, Conserve, and Preserve

Thank You for Supporting the Bald Head Island Conservancy in 2022!

Ahhh... No hurricanes, no coyote invasions of sea turtle nests, and COVID mostly in the rearview mirror! I am not sure what should be considered ‘normal’ on Bald Head Island, but we certainly enjoyed relatively calm winds and flat seas for running the Conservancy ship in 2022. We took advantage of the relative peace to go full bore on several important initiatives including beginning the process of reimagining our campus with new interactive exhibits and animal domiciles in our Fleming Education building, bringing back Brunswick County 6th graders to the island for Barrier Island Botanists, and undertaking a Coastal Sustainability Center initiative among many others. Of course, the Conservancy ship needs fuel to operate and we are indebted to those who provide it by supporting our major fundraisers such as the Annual Fund, July 4th auction, and membership drives, as well as shopping in Turtle Central. Perhaps the highlight of how our efforts impact fellow islanders was the incredible number of new Life Memberships in 2022 = 36!! Wow, that number is more than double any previous year and we are so appreciative to all those who made this magnanimous commitment to us in 2022!

For 2023, we are focused on better understanding the challenges that the island faces in the coming years/decades including sea level rise concerns, regional development and land use changes, and protection of undeveloped natural spaces on Bald Head Island. We are also focused on increasing our ability to engage with the public about the wonders of coastal systems by continuing with our campus reimagination plans and hopefully through more off-island outreach throughout the year. With your help and continued support, we are confident that the best years of the Conservancy are still to come!

G. Christopher Shank
Executive Director
With help from a couple of Major Gifts received in 2021, (Thank you again Brown and Wisner families!!) we substantially upgraded the campus visitor experience in the Fleming Education building. After reopening Memorial Day weekend, more than 18,000 visitors entered Fleming’s doors to explore the new ambassador animal spaces and enjoy exciting new interactive exhibits! We also created some excellent new outdoor learning spaces around campus that were used primarily for our camps but also for our youngest visitors to enjoy. We finally brought our campus education spaces into the 21st century and are so excited to keep going in this direction – hint... we have some more cool plans for 2023!
Conversations with Dick and Pat Johnston about coastal sustainability and the Conservancy’s role in promoting this concept began a few years ago. We were finally able to get this initiative in full gear in 2022 starting with the first Annual Johnston Coastal Sustainability Symposium in April. We invited several noted academic partners from UNCW, Duke, William and Mary, and Georgia Tech who conduct research on various aspects of sustainability to give presentations on pressing topics such as sea level rise, resource economics, and barrier island geophysics. The dinner lecture at the Club was given by BHIC Board member Dr. Dylan McNamara whose day job is serving as the Chair of Physics and Physical Oceanography at UNCW. I absolutely love bringing these types of events to the island with so many smart and inquisitive homeowners who care so much about the future of Bald Head Island and coastal ecosystems. In addition to hosting an annual Symposium, the Conservancy is now pursuing sustainability projects including evaluating the potential for living shorelines to stabilize our salt marsh edges and installing sea level gauges to better assess local impacts to BHI. In short, we face many challenges in protecting the island and as Dick and Pat often state, we need to understand as much as we can to keep BHI healthy and beautiful for our grandkids. If you are interested in reviewing the event or perhaps learning more about the Center’s framework, please visit our website (https://bhic.org/conservation/coastal-sustainability/).
After a 2-year covid hiatus, several hundred of our middle school neighbors from Brunswick County ventured to BHI for a truly unique hands-on learning experience with BHIC staff as part of our Barrier Island Botanists program. We often take for granted how special our island is given how fortunate we are to work, visit, or live here. So, it feels especially wonderful to share our island with these young kids who for many are being given a once in a lifetime opportunity to ride the ferry to a magical distant island to see a spectacular marsh integrated with a unique maritime forest. Of course, riding in golf carts is also an important part of their experience! I appreciate the community’s willingness to share BHI with these kids, after all, they need to be invested in the future of SE NC as much as we do if it is to remain the bountiful natural locale it is today.
In partnership with scientists at Florida Fish and Wildlife, we attached satellite tags to two of our legacy turtles (Willine and Sara) in summer 2022 to track their post-nesting movements. We have plans to continue this work in 2023 as we aim to understand how our turtles use and migrate through potential offshore wind farm lease areas.

**Willine headed for New England in fall 2022**

**While Sara preferred hanging out near the mouth of the Chesapeake Bay**

**Sara receiving her satellite tag**
We learn a great deal about BHI’s ecosystem with our academic partners. In 2022, we worked with scientists on a range of studies including evaluating PFAS compounds in alligators, coyote population dynamics, developing technology to detect real-time bacterial contamination in tidal creek waters, and evaluating bird migration routes through SE NC.

**MOTUS tower is part of an international bird tracking system. We saw previously tagged Painted buntings returning to BHI from Costa Rica as well as a Lesser Yellowlegs that had flown from central Canada to BHI in less than 1 week!**

**Satellite tag attached to base of Fluffy’s head. We watched him move around BHI during spring 2022. Work is part of NCSU study examining PFAS in aquatic species.**

**Coyote scat sampled for genetics study with NC Museum of Natural Sciences to assess coyote populations on BHI.**

**Testing fluorescence detection system to monitor bacteria in Bald Head Creek with NCSU and U. Florida partners.**
BHIC'S MISSION IN ACTION
WE CONSERVE

ISLAND CLEAN-UPS, SALT MARSH RESTORATION, AND WILDLIFE PROTECTION

Conservancy staff nursed stranded dolphin at Shoals overnight

Osprey nest platform repaired in Bald Head Creek by intern Ben Cotter with help from islanders Thompson Wyatt and Rick Nelson

350 lbs of trash and debris cleared from forest, beach, and marsh

Phase 2 of oyster reef restoration project
The Smith Island Land Trust (SILT) serves an essential role as the preservation partner of the Conservancy. The need to preserve property has increased in importance in recent years as the pace of development has increased. Land donations are incredibly valuable in protecting ecological continuity for BHI’s vegetative and animal species. In 2022, with Marianna Fitz-Hugh as Board President, SILT acquired 2 beautiful properties along Cape Creek. Additionally, BHIC and SILT Board member Jim Brown helped develop a more modernized SILT website with interactive property maps.
Summer 2022 was an especially busy time for our Sea Turtle Protection Program. Our mamas laid 148 nests, close to our all-time nest record of 170 set in 2019. However, although the total number of nests weren’t record-breaking, a more important statistic is the number of baby turtles that make it to the sea successfully and by that measure, 2022 did break records with 13,167 energetic tiny loggerhead sea turtles beginning their lives in the summer surf along Bald Head Island beaches! We were quite fortunate in that impacts from hurricanes in the region were largely felt after most nests had hatched and our new cage designs combined with an apparently smaller coyote population eliminated any loss due to predation. Wonder where those little turtles are now?
Although I can’t speak to the early days of the Conservancy, I am pretty darn sure the growth of our Life Member community in 2022 blew away any previous year! Typically, annual Life Member additions range from 5-10, but we added 36 last year! It is truly amazing to have so many new families committing to the future of the Conservancy in this way. I have had a wonderful time getting to know many of our newest Life Members during our porch chats and behind the scenes tours of campus. For those that I haven’t had the good fortune to meet on our porch, I hope to meet with all of you in 2023! Thank you so very much!!!
BHI TRADITIONS CONTINUE

World Sea Turtle Day
Our Sea Turtle Intern crew reacting to Governor Cooper’s World Sea Turtle Week Proclamation!

July 4th Cart Raffle
Dick Johnston and his hat are important parts of our July 4th golf cart raffle!

Annual Shrimp Boil
Our chance to give a special THANKS to all Volunteers and Life Members

Thad Wester Fishing School
Nearly 40 years of making kids and adults smile about BHI’s bounty!

Turtle Trot 5K
Medal winners for one of our summer Turtle Trots

Simply Southern Day Clean-Up
Even teen boys can be helpful!
Record sales revenue exceeded $1.1 million breaking the previous record from 2021. For reference, TC’s 2016 budget was only $650,000.

TC also served as gateway for development activities bringing in $95K in non-retail fundraising revenue via membership sales and general gift acceptance.

I am not sure exactly how many questions TC answers each year related to anything and everything BHI including sea turtles, coyotes, restaurant choices, golf cart charging, beach accesses, snakes,... but if gazillion was a number, I would say more than that!
• 36 New Life Members is likely a world record for any organization!

• Annual Fund video production in support of our most important fundraiser proved financially and educationally effective as our Annual Fund raised >$240K.

• It took a substantial effort to upgrade our website, but it was worth it as our primary communications vehicle with the public is now more engaging and interactive than ever.
Our annual operating budget has increased 50% since 2017, including a plethora of new projects and huge retail growth. The dedication to upgrade our oversight protocols accordingly has been amazing.

As we establish a new financial baseline, it has never been more important to ensure we understand cash flows that change dramatically from season to season, and the finance team has been integral in working with our Board leadership on this effort.

Our campus has many more pieces of equipment, furniture, carts, computers... than 10 years ago and an important project for 2022 was cataloging all fixed assets including creating photographic records for insurance purposes. Hopefully we won’t have a claim to file in 2023, but we will be ready if we do!
We work on a large number of projects that most people aren’t aware of including a few new efforts in 2022:

- Examined microplastics in the sand of BHI beaches with UNCW’s Plastic Oceans Project
- Demonstrated that terrapin excluder devices (TEDs) installed on crab traps that are designed to protect diamondback terrapins do not limit blue crab harvest
- Verified comparable biodiversity and abundance of salt marsh critters on restored oyster reef habitat vs. natural oyster reefs
• Scientific staff also worked on important education initiatives including NC Oyster Week and Beach Patrol Ride Alongs with the sea turtle team.

• Investigations of our 40-year sea turtle nesting data set continued highlighting the amazing site fidelity of some of our nesting turtles over past couple of decades.
• >4000 program participants including nearly sold-out summer camps and outdoor programs

• Developed a new program, Family Beach Fishing, which sold out every day it was offered.

• Laid foundation for Fleming re-imagination 2.0 process that is currently underway including renovations to the BISC media center to provide space for VR technology and dedicated classroom space in the Fleming Education building.

Tim Chisholm teaching children how to seine net

Our Box turtles celebrating thousands of Fleming visitors
For the first time, we developed a long-term campus maintenance plan that can be used to estimate expected capital expenses on an annual basis over the coming decades. This was a huge accomplishment!

In addition to the Fleming renovation, we also completed a few important projects in the dorm including reconfiguring 2 bedrooms into private living suites for staff housing and completing the Endless Summer intern lounge in honor of Claire Miley.

Although it may not sound important, transforming one of our 4-seater carts into a 6-seater has been an enormous victory for logistics of staff commuting back and forth to the ferry each day. We have grown so much that the number of staff commuters exceeded the number of seats in our commuter carts.
Thank You Team!

I am so proud of the staff I work with at the Conservancy.

They are a team of true professionals who work with incredible dedication to our Mission each and every day!
We said goodbye to two of our staff members at the end of 2022. Chief Development Officer Melissa Blackmon took a lead development position with Cape Fear Academy in Wilmington much closer to her family home and Coastal Scientist Lauren Schaale returned to school to study GIS full-time. We appreciate the dedication that both had shown the Conservancy the past 4 years and wish y'all nothing but the best in your new endeavors!
As I wrote in a BHA article in 2022, our Board members are the unsung heroes of the Conservancy. I have learned a great deal from these dedicated volunteers and can't imagine there is another nonprofit that has a Board that cares any more about their organization's mission. Katie Chatas has led the Board as President the past couple of years in a manner that has bonded this group of high-achieving professional individuals into a focused and enthusiastic team. Further, the mutual trust and respect between Board and staff has been critical in helping our organization achieve numerous financial and programmatic milestones as well begin to reimagine the future of our campus. Our Board’s other officers include VP John Cathcart who provides decades of BHI knowledge and thoughtful oversight to his role, Treasurer Slaughter Fitz-Hugh who has been instrumental in helping stabilize the Conservancy's financial baseline, and Secretary Randall Tuttle who brings an important business savvy to the Board. In addition to these officers, the Executive Committee included Trish Healy who turned our nominating process into a much more organized process, Ginger Aydogdu who brought her enormous retail success via Simply Southern to help elevate Turtle Central’s operations and guide our Development Committee, and Julie Keenan who provided careful HR guidance by leading the Human Capital Committee. The other members of our Board include Jay Adams, Kim Blackwell, Jim Brown, Nancy Easterling, Marianna Fitz-Hugh (SILT President), Hilary Gerhardt, Laura Hall, Hollie Hart, John Kinney, John May, Dylan McNamara, Donna Patterson, Rich Tarplin, and Shannon Thatcher. We wish a special thanks to Katie, Hollie, Rich, and Jay who will be rolling off the Board in 2023, with an extra special thanks to Katie Chatas whose term as Board President was incredibly impactful!
We are assisted each year by dozens of volunteers who believe in our Mission and show it with hours upon hours of active assistance. A few of the many special families that made a difference this year include the Plotts who volunteered in several roles including nest monitors, serving as docents and animal caretakers in our Fleming Education building, and processing packages and straightening the floor at Turtle Central. Hollie Hart’s family was also kind in taking care of our ambassador snakes and turtles when we needed the help. I believe the Brown family spends more time helping the Conservancy than actually taking time to relax on vacation and can be found on the beaches at night watching over several sea turtle nests or helping TC whenever they are on the island. Speaking of TC volunteers, Elyse Armitage and Donna Patterson have at least a couple of decades of combined experience helping our retail operations. The Phillips family served as our lead nest monitors this year and appear to not spend even a single night in their own beds during nesting season. We appreciate that our interns get fed by many people throughout the year with Betsi Stephen providing special attention to these young professionals and helping them feel at home. Personally, I very much enjoy working with Tom and Ginny Reeves in organizing our fall fishing school each year. I hope that Ginny’s father Thad Wester would be excited to see how this annual experience continues to thrive! Thanks to all who gave their time and passion to make us better in 2022!
As mentioned above, we had 36 new Life Members in 2022, more than double any previous year. Additionally, we had >100 families support us through other types of annual memberships. Most memberships are purchased during the summer with the hopes of seeing a nesting mom or hatchlings during a Turtle Walk. Fortunately, many members were able to experience the fascinating rituals of our summer reptilian visitors since we had near record nests and a record number of hatchlings. Other ways in which we were so generously supported included our July 4 fundraiser where >700 raffle tickets were sold in pursuit of a new golf cart and >$40K was raised via our silent auction. Unique for 2022 was a special wine tasting event graciously hosted by the Popes and the Market where Penfolds Winery (California) brought some of their classic offerings to the island for an evening of camaraderie and generosity to the Conservancy. I think the event was a big hit for attendees, and we certainly appreciate the nice check that was generated! Another special evening billed as a ‘39th birthday party’ for two Board members Katie Chatas and Kim Blackwell, turned into an extra special occasion through some generous giving by attendees, especially the Brown family. Each year, the biggest source of development revenue comes not from events and memberships, but from the 100% gracious giving of the Conservancy’s community through our Annual Fund. Every member of our Board donated to the Annual Fund in 2022 with a combined giving exceeding $50,000! Wow, thank you Board! In total, thanks to many generous donors, our Annual Fund raised almost $250K! Lastly, we received grant funding from The F. M. Kirby Foundation who has provided considerable funding for two decades and Simply Southern whose support for TC has been enormous the past few years. I speak for the entire staff when I say y’all are truly inspirational!!
GIVING THANKS

SPONSORS

DIAMOND

Simply Southern Collection

PLATINUM

Atlantic Realty Professionals
Bald Head Island Limited

GOLD

Brian Young's Landscaping

GEM

SILVER

BADWATER
Mikes Bites
Coastline Insurance Associates
Urban Coast Electric
The Inn Bald Head Island

BRONZE

First Citizens Bank
Intracoastal Realty Corporation
SmartAir Environmental
BHI Conservancy
In 2022, operations revenue exceeded $2.3 million for the very first time in the Conservancy’s history, with gross TC income providing slightly less than 50% of that number (not including cost of goods). By comparison, our annual budget in 2016 was $1.5 million and TC’s revenue was under $700K. The increase in operations revenue represents a lot of hard work by the Board and staff and some incredibly generous giving the past few years by the Conservancy community. Our financial baseline has now reached a level where we are able to handle some very important and long overdue campus repair and renovation projects and allocate approximately 10% of our annual budget to campus maintenance. However, there is still much to do in the coming years and we need to grow our revenue streams if we are to continue to grow our impact on BHI and beyond.
In early 2019, after several months of discussions under the leadership of past Board President Nanette Watjen, we released a strategic plan that saw us update our Vision and Mission statements and put forth 4 guiding strategies related to barrier island research, marketing/communications, fundraising/donor relations, and education programming. During the process, it seemed as if we were laying down some mighty ambitious action item lists considering where we had been financially and given that Hurricane Florence wasn’t too far behind us. Over the past 4 years, we have held semi-annual meetings to update our action item lists and decipher which tasks we had accomplished and which we wanted to pursue before the next update meeting. Well, after our December 2022 meetings, we are just about out of action items on our strategy lists! I gained such an appreciation for how valuable the strategic planning process was for guiding the Conservancy and now realize that we are going to need a new plan in fall 2023. Among the big picture needs that I expect will be included in a new strategic plan are guidance for a major campus reimagination plan, for which we have only scratched the surface thus far, and increased focus on island sustainability. I am confident that with the current Board leadership and outstanding staff that the 2023 strategic planning process will prove equally valuable 4-5 years from now.

**BHIC’s 40th Anniversary**

2023 marks the 40th anniversary of the Bald Head Island Conservancy. We are planning a major celebration for this summer to commemorate our founding. **Stay tuned!**

**Thanks for your support and we look forward to seeing you on the island in the coming year!**
2022 VOLUNTEERS

Susan & Mark Andrews
Mary Anne Arata
Kevin V. Arata
Elyse Armitage
Nick Baker
Susan Baker
Charlotte Benninghoff
Ethan Blackburn
Averi June Blackburn
Jack Blackmon
Devon Brown
Sinclair Brown
Jim Brown
Haley Browne
Suzi Buzzard
Ballentine Carter
Lillian Carter
Marie Chabot-Fletcher
Katie Chatas
Sylvia Clavien
Caroline Clavien
Ian Condon
Ariana Cortes
Kathy Didawick
Liz Dion
Nathan Emonson
Adam Farris
Alia Farris
Madison Ford
Beth Gozon

Hollie Hart & family
Gianca Helgesen
Teghan Himelfarb
Lillian Jarmosevich
Owen Jennings
Pat Johnston
Lionel Jones
Betsy Kelly
Cate Kelly
Cole Kennemer
Kathy Ketels
Bob Ketels
Jack Knott
Juliet Kreisel
Johanna Kreisel
Chris Kuzmuk
Campbell Rose Kuzmuk
Jenn Kuzmuk
Reagan Lee
Megan Macken and Son
Annette Marks
Sheila May
Brooks McCall
Carter McCall
Dixon Mcleod
FA McLeod
Mary Kirk Michael
Della Scott Michael
Autumn Rierson Michael
Suzanne O'Bryant

Donna Patterson
Annika Phase
Siddartha Phase
Richard Phillips
Preston & Lexy Plotts
Steff & Greg Plotts
Bill Powers
Sammie Powers
Mark Prak
Robin Prak
Colleen Riff
Kris Riley
Betty Robinson
Rozier Family
Jennifer Russel
Sue Shaylor
Gregg Thatcher
Tracey Van De Putte
Hank Van Ness
Georgia Wall
Emilyann Wilson
Bruce Wilson
Dee Ann Wilson
Ron Wright
Edward Wright
Katie Mac Wright
Emily Ann Wright
Carol Wright
Thompson Wyatt
LIFE MEMBERS

Names in green became Life Members in 2022

Mr. and Mrs. David Adcock
Dr. & Mrs. Richard Allen
Mr. & Mrs. Douglas Anderson
Mrs. Meg Anderson
Mr. & Mrs. Mark Andrews
Mr. & Mrs. Allen Auchenpaugh
Mr. & Mrs. Kent Babcock
Mr. & Mrs. Gary Banas
Dr. Geoffrey Banks & Mrs. Natalie Banks
Ms. Susan Baker
Drs. Rodolphe & Lisa Barrangou
Mr. & Mrs. David Beam
Tom and Jenny Becherer
Mr. & Mrs. Samuel Bell
Dr. & Mrs. William Bennett
Mrs. Bill Berne
Dr. Kimberly Blackwell
Dr. & Mrs. Matthew Boes
Dr. & Mrs. John Boos
Mr. & Mrs. Michael Brader-Araje
Mr. & Mrs. Keith Bradley
Mr. & Mrs. Don Bradley
Mr. & Mrs. Thomas Bradshaw
Mr. & Mrs. Joe Brawner
Alan Briggs & Dianne Reid & Family
James & Devon Brown
Mr. and Mrs. Kevin Brown
Ms. Elizabeth Burroughs
Mr. & Mrs. John W. Byrne
Mr. & Mrs. Thomas Byrne
Mr & Mrs. Spencer Carney
Mr. & Mrs. Watts Carr
Ms. Lois Cassidy
Mr. and Mrs. John Cathcart
Mrs. Ann Cathcart
Mr. George Cecil
Ms. Beverly Chambers
The Chanter Family
Mr. & Mrs. Geoffrey Chatas
Mr. & Mrs. Charles Christian
Mr. & Mrs. R. Todd Clancy
Mrs. J. M. Coburn
Ms. Jenny Cockburn-Becherer
Mr. & Mrs. Earl E. Condon
Mr. & Mrs. Sky Conklin
Mr. & Mrs. Buck Cook
Mr. & Mrs. Jay Copan
Mrs. Howard W. Coupland
Mr. Rex Cowdry & Ms. Donna Patterson
Ms. Adie Coy
Mr. Adan Coy
Mr. & Mrs. Ronald Cresswell
Mr. & Mrs. Richard R. Crisp Lacy
Mrs. JoAnn Davis
Mr. & Mrs. Oswaldo de Rivero Barreto
Ms. Jenny Dees
Nick del Rosso & Kristin White del Rosso
Mr. & Mrs. Kevin Delk
James & Joyce Dickerson
Mr. & Mrs. Chuck Dietsche
Mr. & Mrs. Scott Doron
Dr. & Mrs. Gene Douglas
Drs. Pamela S Douglas & Geoffrey S Ginsburg
Mr. & Mrs. Robert Drumheller
Mr. & Mrs. Edgar Dunham
Dr. & Mrs. David Durack
Mr. & Mrs. Joe Durkan
Mr. & Mrs. George Enochs
Ms. Elise Dee Coy Epstein
Ms. Alexa Leigh Epstein
The Evans Family
Mr. Barry Evans & Mrs. Marla Wright-Evans
Mr. & Mrs. William G. Faber
Doreen and John Fairbank
Dr. & Mrs. William Farabow
David and Lelia Farr
Mr. Jeff Farris & Mrs. Alia Farris
The Felder Family
Mr. & Mrs. Stuart Firth
Mr. John L. Fisher
Ms. Anne Garland Fitz-Hugh
Mrs. Marianna Fitz-Hugh
Mr. Slaughter Fitz-Hugh III
Mr. Slaughter Fitz-Hugh IV
Mr. & Mrs. John Flanagan
Ms. Carolyn Fleming
Mr. Robert Fletcher
& Dr. Marie Chabot-Fletcher
Mr. & Mrs. Frank Floyd
This Flick Family
Mr. & Mrs. Bob Flynn
Dr. & Mrs. James Foght
Dr. & Mrs. Stuart Fountain
Mr. & Mrs. Bryant Frech
Mr. & Mrs. Nelson Fry
Mr. & Mrs. Vic Galef
Mr. & Mrs. William Gardner
Mr. & Mrs. Boyd Gasque
Mr. and Mrs. Richard Gerhardt
Mr. & Mrs. William J. Gililan
Mr. & Mrs. Kenneth E. Glass
Mr. & Mrs. Bill Grantmyre
Dr. Jerry Greenhoot
Mr. & Mrs. John Grim
The David Hall Family
Ellen and Spence Hamrick
Mr. & Mrs. Raymond Harbert
Mr. & Mrs. Joseph Harlan
Mr. Robert Harper & Mrs. Kristin Harper
Mr. & Mrs. James E. Harrington
The Hart Family
Mr. & Mrs. Scott Hartman
Mr. & Mrs. Michael Hartshorn
LIFE MEMBERS

Names in green became Life Members in 2022

Mr. & Mrs. Alexander Hattaway
Mr. & Mrs. John Healy
Mr. & Mrs. Bob Helgesen
Mr. and Mrs. Kendall Hendrick
Mr. & Mrs. John Henson
Mr. & Mrs. Robert Henson
Mr. Jesse Hermann and Ms. Julie Keenan
Mr. & Mrs. Charlie Himes
Mr. & Mrs. David Hodson
Mrs. Lorette Hollinshed
Mr. William Holtzrager
Mr. & Mrs. Trig Horton
Mr. Charlie House
Mr. & Mrs. Gideon Huddle
Mr. Victor Farah & Ms. Robin Hudson
Jim and Ginny Hunt and Family
Ms. Sandra Hyde
Dr. & Mrs. Ronald I. Hutton
Mr & Mrs Brent Jacobsen
Mr. & Mrs. John Jelinek
Mr. & Mrs. Douglas Jellison
Mr. & Mrs. David W. Jessen
Mr. & Mrs. Dale Johnson
Mr. & Mrs. Brian Johnson
Mr. & Mrs. E.R. Johnston
Sally and Tom Johnston
Mr. & Mrs. William Jones
Dr. & Mrs. Oren W. Justice
Dr. & Mrs. Anthony Kameen
Mr. & Mrs. Barry Kane
Mr. Larry Hopkins & Mrs. Terri Kelly-Hopkins
Mr. & Mrs. Robert Ketels
Mr. & Mrs. J. Hall Kinlaw
Mr. Kirkpatrick
Mr. and Mrs. Koch
Mr. & Mrs. John Knott
Mr. & Mrs. Warren Knouff
Mr. & Mrs. Fred Krainin
Mr. & Mrs. John Kropp
Mr. & Mrs. James Ladd
Mr. & Mrs. Wayne Lambert
Mr. & Mrs. Larry Lammert
Mr. & Mrs. Rod Lang
Mr. & Mrs. Joseph Lee
Mr. and Mrs. Poul Lindegard
Ms. Ruth Lindsay
Mr. Robert Lock
Mr. & Mrs. Derek Lonker
Mr. & Mrs. Michael Lord
Barry and Jennifer Lucas
Sam Lucas
Mr. Chris Edmonds and Mr. Fred Lyman
Dr. Nancy K. Maguire
The Maher Family
Ken & Paige Marsh, Amelia Anne & Cece
Mr. & Mrs. George Martin
Ms. Barbara Martin
Mr. & Mrs. Michael Massie
Mr. & Mrs. John May
Mr. & Mrs. James McCarthy
Mr. & Mrs. George McGowen
Mr. & Mrs. Stephen McInnis
Mr. Stanley McInnis
Mr. & Mrs. W. Lawrence McKeithan
Mr. & Mrs. Kirk Meyers
Robert and Allison Miley
Barbara Adams Miller & Leonard Miller
Mr. & Mrs. Harry Miller
Ms. Pat Miller
Mr. & Mrs. Mark Mitchell
Mr. George Mitchell
Mr. Kent Mitchell
Mrs. Carol Morris
Mr. & Mrs. Paul Mugge
Mr. Bill Mullican
Ms. Cheryl Murphy
Mr. & Mrs. Dave Nelson
Mr. & Mrs. Marvin Neuwirth
Ms. Hannah Newcombe
John and Mary Murrill Oakes
Murrill Irene Oakes
Pat & Suzanne O’Bryant
Mr. & Mrs. Ronald O’Keefe
Mr. Robert Overstreet
Sharon Palsha & Jake Freiberger & Family
Mr. Charles Pardee
Mr. & Mrs. Doyle Parrish
Mr. & Mrs. Mark Payne
Mr. & Mrs. Douglas Perry
Mr. & Mrs. Harper Peterson
Mr. & Mrs. David Peterson
Ms. Mary Peyton
Mr. & Mrs. Richard Phillips
The Plotts Family
Steve and Tami Polge & Family
Mr. & Mrs. Jim Poole
Mr. & Mrs. Walter Poole
Mr. and Mrs. Mark Prak
Mr. & Mrs. Bill Pritchard
Ms. Dana Pritchett
Rocky and Deb Rausch
Mr. & Mrs. Ken Reckhow
Mr. & Mrs. Alan Reyner
Mr. & Mrs. Paul Rice
Randy & Kris Riley
Sybil Robb
Mrs. Melanie Robbins
Mr. Lawrence Kirby & Ms. Diane Robinson
Rooney-Dillon Family
Ms. Juanita Roushdy
Jim and Sheri Ruddy & Family
Ms. Alice Saunders
Mr. & Mrs. Paul Schmidt
Mrs. Anita Schnog
LIFE MEMBERS

Names in green became Life Members in 2022

Mr. & Mrs. Thomas Schuler
Mr. Philip C. Scibilia
Mr. David Shaddy
Dr. Julie and Dr. Ned Sharpless
Mr. & Mrs. Gaither Shaw
Ms. Kaitlyn Clare Silvagni
Mr. & Mrs. Brad Smith
Mr. Marcus Smith
Mr. A.C. Sorrell
Ms. Sallie Shuping-Russell & Mr. Ed Spence
The Spivey Family
Jim & Elizabeth Stanfill
Dr. & Mrs. Scott Starks
Mr. & Mrs. Bill Staton
Mr. & Mrs. Norman Stockton
Mr. Tim Dunn & Dr. Ellen Stefano
Mr. & Mrs. Jon Stonehouse
Mr. Terry Sullivan
Mr. & Mrs. Robert Syring
Mr. & Mrs. Rich Tarplin
Dr. & Mrs. Robert Timmons
Alex, Courtney, Elia & Sylvie Toledo
Ms. Milan Tolley
Mr. & Mrs. George Toulas
Ms. Penny Jackson Trask
Mr. Bynum Tudor
Ms. Elizabeth Tudor
Ms. JoAnna Tudor
Mr. & Mrs. Randall Tuttle
Mrs. Betty Twiggs
Mr. & Mrs. Robb VanMarter
Mr. & Mrs. Jerry VanSant
Mr. & Mrs. C. Porter Vaughan
Mr. and Mrs. Drayton Virkler
Mr. & Mrs. Howard Walker
Mr. Edmund G. Warren
Mr. & Mrs. Tom Watjen
Mr. & Mrs. Peter Watson

Dr. & Mrs. John Welch
Mr. & Mrs. Griffin Weld
Mr. & Mrs. David Welden
Bryan and Janet Wester
Mrs. Lee Wester
Ms. Valerie White
Ms. Michelle Whitman
James and Mildred Wilkinson
Mrs. Nonie Williams
Dee & Bruce Wilson
Mr. & Mrs. Matthew Wilson
Mrs. Rachel Wilson
Mr. & Mrs. E. James Wisner
Theodore Wojtech & Claire Lonegan
Deborah Wong and Richard Riddell
Mr. & Mrs. Ron Wright
Drs. Sally and John York
Bill & Karen Young
Mr. Richard Young
Mrs. Pat Young
Ms. Robyn Ballard Ziperski
Mr. & Mrs. Paul Zoukis
The Bald Head Island Conservancy, Inc.

Bald Head Island, North Carolina

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

For the Year Ended December 31, 2022
The Bald Head Island Conservancy, Inc.
CONTENTS
For the Year Ended December 31, 2022

<table>
<thead>
<tr>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDEPENDENT AUDITOR’S REPORT</td>
</tr>
<tr>
<td>FINANCIAL STATEMENTS</td>
</tr>
<tr>
<td>STATEMENT OF FINANCIAL POSITION</td>
</tr>
<tr>
<td>STATEMENT OF ACTIVITIES</td>
</tr>
<tr>
<td>STATEMENT OF FUNCTIONAL EXPENSES</td>
</tr>
<tr>
<td>STATEMENT OF CASH FLOWS</td>
</tr>
<tr>
<td>NOTES TO FINANCIAL STATEMENTS</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR’S REPORT

Board of Directors
Bald Head Island Conservancy, Inc.
Bald Head Island, North Carolina

Opinion

We have audited the accompanying financial statements of Bald Head Island Conservancy, Inc. (a North Carolina non-profit corporation) which comprise the statement of financial position as of December 31, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bald Head Island Conservancy, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bald Head Island Conservancy, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bald Head Island Conservancy, Inc.’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bald Head Island Conservancy, Inc.’s internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bald Head Island Conservancy, Inc.’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Report on Summarized Comparative Information**

We have previously audited Bald Head Island Conservancy, Inc.’s 2021 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 24, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Jason C. Keller, CPA, PLLC
Wilmington, NC
June 7, 2023
THE BALD HEAD ISLAND CONSERVANCY, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2022 (with comparative amounts for 2021)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$762,780</td>
<td>$1,024,698</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment investments - Board designated</td>
<td>1,044,193</td>
<td>1,112,979</td>
</tr>
<tr>
<td>Other receivables</td>
<td>22,470</td>
<td>29,274</td>
</tr>
<tr>
<td>Inventories</td>
<td>356,589</td>
<td>249,157</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>16,402</td>
<td>22,918</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td><strong>2,202,434</strong></td>
<td><strong>2,439,026</strong></td>
</tr>
<tr>
<td><strong>PROPERTY AND EQUIPMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and equipment</td>
<td>5,856,627</td>
<td>5,672,754</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(2,040,833)</td>
<td>(1,887,550)</td>
</tr>
<tr>
<td><strong>Net property and equipment</strong></td>
<td><strong>3,815,794</strong></td>
<td><strong>3,785,204</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$7,954,988</strong></td>
<td><strong>$8,160,990</strong></td>
</tr>
</tbody>
</table>

| LIABILITIES AND NET ASSETS                   |               |               |
| CURRENT LIABILITIES                          |               |               |
| Accounts payable                            | $16,161       | $55,952       |
| Accrued sales tax                           | 4,117         | 5,370         |
| Accrued employee bonuses                    | 7,500         | 7,000         |
| Accrued payroll taxes and liabilities       | 11,991        | 4,252         |
| **TOTAL CURRENT LIABILITIES**               | 39,769        | 72,574        |

| NET ASSETS                                  |               |               |
| Without donor restrictions                  |               |               |
| Undesignated                                | 951,045       | 1,066,992     |
| Investment in fixed assets                  | 3,815,794     | 3,785,204     |
| Board Designated Quasi-Endowment            | 1,044,193     | 1,112,979     |
| **Total without donor restrictions**        | **5,811,032** | **5,965,175** |

| With donor restrictions                     |               |               |
| Restricted use grants/donations             | 167,427       | 186,481       |
| Restricted (BHIC Land)                      | 1,936,760     | 1,936,760     |
| **Total with donor restrictions**           | **2,104,187** | **2,123,241** |
| TOTAL NET ASSETS                            | 7,915,219     | 8,088,416     |

| TOTAL LIABILITIES AND NET ASSETS            | $7,954,988    | $8,160,990    |

The accompanying notes are an integral part of these financial statements.
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2022 (with comparative totals for 2021)

<table>
<thead>
<tr>
<th></th>
<th>2022 With Donor Restrictions</th>
<th>2022 Without Donor Restrictions</th>
<th>2021 Total (for comparative purposes only)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PUBLIC SUPPORT AND REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales – gift shop</td>
<td>$1,095,034</td>
<td>$-</td>
<td>$1,095,034</td>
</tr>
<tr>
<td>Less cost of sales</td>
<td>(608,876)</td>
<td>-</td>
<td>(608,876)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>486,158</td>
<td>-</td>
<td>477,981</td>
</tr>
<tr>
<td>Membership revenues</td>
<td>283,350</td>
<td>-</td>
<td>154,578</td>
</tr>
<tr>
<td>Contributions, grants and pledges</td>
<td>354,305</td>
<td>72,629</td>
<td>1,229,231</td>
</tr>
<tr>
<td>Special events</td>
<td>299,919</td>
<td>-</td>
<td>210,639</td>
</tr>
<tr>
<td>Camps, school and program income</td>
<td>109,390</td>
<td>-</td>
<td>140,171</td>
</tr>
<tr>
<td>Research contract income</td>
<td>293,280</td>
<td>-</td>
<td>214,786</td>
</tr>
<tr>
<td>Government grants (PPP)</td>
<td>-</td>
<td>-</td>
<td>153,600</td>
</tr>
<tr>
<td>Insurance proceeds</td>
<td>-</td>
<td>-</td>
<td>27,394</td>
</tr>
<tr>
<td>Directory &amp; calendar income</td>
<td>986</td>
<td>-</td>
<td>691</td>
</tr>
<tr>
<td>Rental income</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
</tr>
<tr>
<td>Refunds and rebates</td>
<td>200</td>
<td>-</td>
<td>1,302</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>91,683</td>
<td>(91,683)</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL PUBLIC SUPPORT AND REVENUES</strong></td>
<td>1,921,771</td>
<td>(19,054)</td>
<td>1,902,717</td>
</tr>
</tbody>
</table>

**EXPENSES**

**Program services:**
- Education and research: 511,743
- Conservation and preservation: 492,387
- Conservation related product sales: 323,682
- Total program services: 1,327,812

**Supporting activities:**
- Management and general: 338,544
- Marketing & development: 237,953
- Total supporting activities: 576,497

**TOTAL EXPENSES**

**INCOME/(LOSS) FROM OPERATIONS**

**OTHER INCOME/(EXPENSES)**
- Investment return (loss): (165,561)
- Loss on disposal of fixed assets: (6,044)
- Total other income/(expenses): (171,605)

**INCREASE (DECREASE) IN NET ASSETS**
- Net assets at beginning of year: 5,965,175
- Net assets at end of year: 5,811,032

The accompanying notes are an integral part of these financial statements.
### SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022 (with comparative totals for 2021)

<table>
<thead>
<tr>
<th>Education and research expense</th>
<th>Conservation and preservation</th>
<th>Conservation related product sales</th>
<th>General and Administrative</th>
<th>Marketing &amp; Development</th>
<th>Total (for comparative purposes only)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2022</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 1,904,309</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>$ 137,005</td>
<td>$ 270,085</td>
<td>$ 170,739</td>
<td>$ 123,057</td>
<td>$ 868,602</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>10,528</td>
<td>20,755</td>
<td>13,120</td>
<td>12,888</td>
<td>66,747</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>9,626</td>
<td>18,976</td>
<td>10,498</td>
<td>11,111</td>
<td>50,211</td>
</tr>
<tr>
<td>Pension expense</td>
<td>729</td>
<td>10,322</td>
<td>9,870</td>
<td>15,848</td>
<td>41,646</td>
</tr>
<tr>
<td>Travel and transportation</td>
<td>13,172</td>
<td>25,965</td>
<td>16,415</td>
<td>16,124</td>
<td>83,506</td>
</tr>
<tr>
<td>Environmental study contract costs</td>
<td>106,505</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>106,505</td>
</tr>
<tr>
<td>Outreach and educational programs</td>
<td>38,479</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>38,479</td>
</tr>
<tr>
<td>Depreciation</td>
<td>72,535</td>
<td>41,971</td>
<td>38,921</td>
<td>21,135</td>
<td>181,058</td>
</tr>
<tr>
<td>Insurance</td>
<td>27,849</td>
<td>17,406</td>
<td>10,443</td>
<td>10,443</td>
<td>69,622</td>
</tr>
<tr>
<td>Utilities</td>
<td>21,338</td>
<td>13,336</td>
<td>8,002</td>
<td>8,002</td>
<td>53,345</td>
</tr>
<tr>
<td>Housekeeping &amp; cleaning</td>
<td>8,829</td>
<td>5,518</td>
<td>3,311</td>
<td>3,311</td>
<td>22,073</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>38,801</td>
<td>24,251</td>
<td>14,551</td>
<td>14,551</td>
<td>97,004</td>
</tr>
<tr>
<td>Supplies</td>
<td>10,162</td>
<td>33,687</td>
<td>16,641</td>
<td>5,344</td>
<td>65,834</td>
</tr>
<tr>
<td>Computer and software</td>
<td>16,185</td>
<td>10,115</td>
<td>6,069</td>
<td>6,069</td>
<td>46,069</td>
</tr>
<tr>
<td>Banking and merchant fees</td>
<td>-</td>
<td>-</td>
<td>15,628</td>
<td>-</td>
<td>15,628</td>
</tr>
<tr>
<td>Equipment rental</td>
<td>-</td>
<td>-</td>
<td>6,814</td>
<td>-</td>
<td>6,814</td>
</tr>
<tr>
<td>Professional fees</td>
<td>-</td>
<td>-</td>
<td>15,863</td>
<td>-</td>
<td>15,863</td>
</tr>
<tr>
<td>Training and development</td>
<td>-</td>
<td>-</td>
<td>2,911</td>
<td>-</td>
<td>2,911</td>
</tr>
<tr>
<td>Interest expense</td>
<td>-</td>
<td>-</td>
<td>2,698</td>
<td>-</td>
<td>2,698</td>
</tr>
<tr>
<td>Special events</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>44,601</td>
<td>44,601</td>
</tr>
<tr>
<td>Fundraising campaign exp.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,202</td>
<td>13,202</td>
</tr>
<tr>
<td>Printing &amp; marketing</td>
<td>-</td>
<td>5,102</td>
<td>-</td>
<td>4,701</td>
<td>9,803</td>
</tr>
<tr>
<td>Subscriptions &amp; dues</td>
<td>-</td>
<td>-</td>
<td>1,741</td>
<td>-</td>
<td>1,741</td>
</tr>
<tr>
<td>Licenses &amp; fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>347</td>
<td>347</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 511,743</td>
<td>$ 492,387</td>
<td>$ 323,682</td>
<td>$ 338,544</td>
<td>$ 1,688,320</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
The Bald Head Island Conservancy, Inc.

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022 (with comparative amounts for 2021)

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
<th>(for comparative purposes only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (decrease) in cash flows</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in net assets</td>
<td>$ (173,197)</td>
<td>$ 1,059,049</td>
</tr>
<tr>
<td>Adjustments to reconcile increase in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>181,058</td>
<td>169,443</td>
</tr>
<tr>
<td>(Gain)/loss on investments</td>
<td>178,846</td>
<td>(125,057)</td>
</tr>
<tr>
<td>(Gain)/loss on disposal of fixed assets</td>
<td>6,044</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) decrease in operating assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>6,804</td>
<td>43,983</td>
</tr>
<tr>
<td>Inventories</td>
<td>(107,432)</td>
<td>(65,879)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>6,516</td>
<td>(3,945)</td>
</tr>
<tr>
<td>Increase (decrease) in operating liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(39,791)</td>
<td>12,986</td>
</tr>
<tr>
<td>Accrued sales tax</td>
<td>(1,253)</td>
<td>(3,045)</td>
</tr>
<tr>
<td>Accrued payroll taxes</td>
<td>7,739</td>
<td>(318)</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>-</td>
<td>(1,450)</td>
</tr>
<tr>
<td>Accrued employee bonus</td>
<td>500</td>
<td>(17,100)</td>
</tr>
<tr>
<td>Refundable advance - PPP loan</td>
<td>-</td>
<td>(153,600)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>65,834</td>
<td>915,067</td>
</tr>
<tr>
<td>CASH FLOWS FROM INVESTING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property and equipment</td>
<td>(218,692)</td>
<td>(283,605)</td>
</tr>
<tr>
<td>Proceeds from the sale of property and equipment</td>
<td>1,000</td>
<td>-</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(1,071,606)</td>
<td>(643,223)</td>
</tr>
<tr>
<td>Proceeds from the sale of investments</td>
<td>961,546</td>
<td>799,950</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(327,752)</td>
<td>(126,878)</td>
</tr>
<tr>
<td>CASH FLOWS FROM FINANCING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from borrowings - line of credit</td>
<td>75,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Principal payments on line of credit</td>
<td>(75,000)</td>
<td>(75,000)</td>
</tr>
<tr>
<td>Principal payments on capital leases</td>
<td>-</td>
<td>(8,071)</td>
</tr>
<tr>
<td>Principal payments on long-term debt</td>
<td>-</td>
<td>(176,161)</td>
</tr>
<tr>
<td>Net cash provided by financing activities</td>
<td>-</td>
<td>(184,232)</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>(261,918)</td>
<td>603,957</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>1,024,698</td>
<td>420,741</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>$ 762,780</td>
<td>$ 1,024,698</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Nature of Activities
BHIC was established as a non-profit entity, which was incorporated in 1983. Its primary purpose is to conserve the natural resources of Bald Head Island, lying in Brunswick County, North Carolina, including its surrounding marshes, creeks and streams. BHIC also administers various programs educating participants on the conservation of the aforementioned environmental areas. In addition, BHIC operates a gift shop selling items designed to promote conservation awareness.

Accounting Method
The Organization records its transactions using the accrual basis method of accounting, whereby revenue and the related assets are recognized when earned and expenses are recognized when the obligation is incurred.

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, demand deposits and any highly liquid debt instruments with maturities of less than 3 months.

Contributions
All contributions are considered to be available for use at the discretion of the Organization unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor-restricted support that increases the net assets with donor restrictions class.

Property and Equipment
Property and equipment are stated at cost, less accumulated depreciation. The Organization capitalizes all fixed asset purchases over $500. All assets are depreciated using the straight-line method with depreciable lives of five (5) years for equipment and vehicles, seven (7) years for furniture and fixtures, ten or fifteen (10 - 15) years for certain building improvements and forty (40) years for the buildings.

Other Receivables
Other receivables consist of amounts due from credit card companies for gift shop sales near end. The Organization considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded.

Donated Assets
All donated assets are recorded on the Organization's books at the fair market value at the date of the contribution. The Organization does not imply time restrictions on contributions of long-lived assets.

Inventories
Inventories are valued at the lower of cost or market. Cost is determined by the average cost method.

Income Taxes
The Organization qualifies as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code. Additionally, the Organization has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. Form 990 informational returns filed with the IRS remain subject to examination by taxing authorities for a period of 3 years. At December 31, 2022 returns for fiscal years ending in 2019, 2020 and 2021 remain “open” to possible examination.
NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Management Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses
The Statement of Activities presents expenses by functional classification (program, general & administrative, and marketing & development). The Statement of Functional Expenses presents these same expenses by functional and natural classification (salaries, travel, utilities, etc.). Certain costs have been allocated among functional categories using an objective basis (such as staff members’ time or building square footage).

Subsequent Events
In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 7, 2023, the approximate date the financial statements were available to be issued.

NOTE 2: INVESTMENTS & FAIR VALUE MEASUREMENTS

The Organization applies a framework for measuring fair values under generally accepted accounting principles which applies to all financial instruments that are measured and reported at fair value.

The framework for measuring fair value of financial assets and liabilities includes a hierarchy of three levels for observable independent market inputs and unobservable market assumptions. A description of the inputs used in the valuation of assets and liabilities under this hierarchy is as follows:

- Level 1 - Quoted prices in active markets for identical assets
- Level 2 - Significant other observable inputs.
- Level 3 - Significant unobservable inputs

Assets and liabilities that are measured at fair value on a recurring basis are as follows at December 31, 2022:

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Fair Value (Level 1)</th>
<th>Unrealized Gain (loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publicly traded stocks and mutual funds:</td>
<td>$ 1,136,717</td>
<td>$ 1,044,193</td>
<td>$ (92,524)</td>
</tr>
</tbody>
</table>

Investments internally restricted by the board of directors totaled $1,044,193 at December 31, 2022 (see Note 3).

The Organization’s investment return for the year ended December 31, 2022 is summarized as follows:

- Interest and dividend income $ 20,785
- Net realized and unrealized gains/losses (178,846)
- External investment expenses (7,500)
- Total investment return $(165,561)
NOTE 3: BOARD DESIGNATED QUASI-ENDOWMENT FUND

The Organization’s endowment consists of one fund established to provide a permanent reservoir of assets that will provide regular income for the needs of The Bald Head Island Conservancy, Inc. The endowment fund only includes assets designated by the Board of Directors to function as an endowment. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law
The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act of 2007 (the Act) 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. However, the Organization does not maintain any donor-restricted endowment funds as of December 31, 2022.

Endowment Net Assets Composition by Type of Fund

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board-designated endowment Funds</td>
<td>$1,044,193</td>
<td>$1,044,193</td>
</tr>
</tbody>
</table>

Changes in Endowment Net Assets

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment net assets, beginning of year</td>
<td>$1,112,979</td>
<td>$1,112,979</td>
</tr>
<tr>
<td>Investment return:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>20,785</td>
<td>20,785</td>
</tr>
<tr>
<td>Net appreciation (loss) – realized &amp; unrealized</td>
<td>(178,846)</td>
<td>(178,846)</td>
</tr>
<tr>
<td>External brokerage/advisor fees</td>
<td>(7,500)</td>
<td>(7,500)</td>
</tr>
<tr>
<td>Total Investment return</td>
<td>(165,561)</td>
<td>(165,561)</td>
</tr>
<tr>
<td>Other changes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>140,000</td>
<td>140,000</td>
</tr>
<tr>
<td>Withdrawals – annual allocation</td>
<td>(43,225)</td>
<td>(43,225)</td>
</tr>
<tr>
<td>Total Other changes</td>
<td>96,775</td>
<td>96,775</td>
</tr>
</tbody>
</table>

Endowment net assets, end of year | $1,044,193 | $1,044,193 |

Return Objectives and Risk Parameters
The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the Organization while seeking to maintain the purchasing power of the endowment assets. As of December 31, 2022 endowment assets only include board-designated funds. Risk should be similar to or lower than the return volatility of the blended index of the Portfolio. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the return of a broad market index or an index blended in proportions similar to the long-term general asset allocation for the portfolio.
NOTE 3: BOARD DESIGNATED QUASI-ENDOWMENT FUND (continued)

Strategies Employed for Achieving Objectives
To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy
The Organization may annually budget for distribution an amount not to exceed 4% of the average year end balance in the endowment fund over the previous 3 years. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow by achieving a rate-of-return in excess of the 4% planned payouts.

NOTE 4: INVENTORIES

Inventories totaling $356,589 at December 31, 2022 consist of apparel and other retail items designed to promote conservation awareness.

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings &amp; Improvements</td>
<td>$5,689,605</td>
</tr>
<tr>
<td>Furniture, equipment and software</td>
<td>96,402</td>
</tr>
<tr>
<td>Transportation equipment</td>
<td>70,620</td>
</tr>
<tr>
<td></td>
<td><strong>$5,856,627</strong></td>
</tr>
</tbody>
</table>

The Organization recorded depreciation expense in the amount of $181,058 for the year ended December 31, 2022. Total accumulated depreciation is $2,040,833 at December 31, 2022.

NOTE 6: LEASE COMMITMENTS

The Organization has elected, as allowed by FASB ASC 842-20-25-2, not to recognize right-of-use assets and lease liabilities for short-term leases (that is, leases with terms of 12 months or less). As such, future scheduled payments under short-term lease arrangements, or the corresponding rights-of-use, are not displayed on the Statement of Financial Position. Rental expense related to these leases is $6,814 for the year ended December 31, 2022.

NOTE 7: LINE OF CREDIT

The Organization maintains an unsecured line of credit with First-Citizens Bank & Trust Company in the amount of $250,000. The line bears interest at 0.5% over the latest Prime Rate as published in the Money Rates table of the Wall Street Journal. Interest is payable monthly and any outstanding interest and principal is due August 15, 2024. There is $0 outstanding on the line of credit at December 31, 2022.
NOTE 8: CONTRIBUTED SERVICES

A number of unpaid volunteers have made contributions of their time to work in the gift shop and various other areas of the organization’s operations. The value of this contributed time is not reflected in the statement of activities because the criterion for recognition has not been satisfied under FASB ASC 958-605-50-1.

NOTE 9: PENSION PLAN

The Organization sponsors a SEP pension plan covering substantially all full-time employees. The Board of Directors has determined the employer contribution to be 7.00% of all eligible salaries. Contributions to the plan for the year ended December 31, 2022 amounted to $41,646.

NOTE 10: NET ASSET WITH DONOR RESTRICTIONS

During the year ended December 31, 2022, assets with donor restrictions totaling $91,683 were reclassified to assets without donor restrictions upon satisfaction of the restriction.

Assets with donor restrictions consist of the following at December 31, 2022:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash: restricted for educational purposes</td>
<td>$16,481</td>
</tr>
<tr>
<td>Cash: restricted for conservation purposes</td>
<td>150,946</td>
</tr>
<tr>
<td>Land: restricted in perpetuity for operations and conservation purposes</td>
<td>1,936,760</td>
</tr>
<tr>
<td><strong>Total net assets with donor restrictions</strong></td>
<td><strong>$2,104,187</strong></td>
</tr>
</tbody>
</table>

NOTE 11: CONCENTRATION OF CREDIT RISK

The Organization maintains several bank accounts at two financial institutions. Accounts and certificates of deposits at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2022 there is an uninsured cash balance of $194,949 held by the financial institutions.

Marketable equity securities, mutual funds and cash equivalents are held by an investment firm. The investment firm is a member of the Securities Investor Protection Corporation (SIPC). Securities held by the custodian are protected by the SIPC for up to $500,000 of coverage, including $250,000 in claims for cash. The remaining coverage on securities and cash is provided by the custodian through a commercial insurer. The account protection applies to the physical loss or destruction of the assets, but it does not apply to any decline in the market value of the securities. At December 31, 2022 there is an uninsured balance of $544,193 held by the investment firm.

NOTE 12: SUPPLEMENTAL CASH FLOW INFORMATION

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest charged to expense</td>
<td>$2,698</td>
</tr>
</tbody>
</table>
NOTE 13: RELATED PARTY DISCLOSURE

The Organization shares various resources with Smith Island Land Trust (SILT), a related party through economic interest. The entities maintain separate boards of directors however some individuals serve on both boards. An operating agreement was signed October 1, 2022 outlining the understanding between the entities. Control of either entity by the other is not considered to exist and therefore consolidated financial statements have not been prepared. There were no current year financial transactions between the entities.

NOTE 14: LIQUIDITY DISCLOSURE

The below reflects the Organizations financial assets as of December 31, 2022, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year. Amounts that are not available also include board designated amounts that could be utilized if the Board of Directors approved the use.

Financial assets, at December 31, 2022 $ 2,186,032
Less those unavailable for general expenditures within one year, due to:
   Restricted by donor with time or purpose restrictions (167,427 )
   Quasi-endowment fund, primarily for long-term investing (1,044,193 )

Financial assets available to meet cash needs for general expenditures within one year $ 974,412

The Organization is funded through a variety of sources including retail sales, membership revenues, contributions, grants, program and research income. Some of the income contains restrictions that the resources be used in a certain manner or in a future period. Therefore, the Organization must maintain adequate resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditure within one year. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations become due. The Board of Directors may also authorize utilization of the quasi-endowment fund in the event of an unanticipated liquidity need. The Organization could also draw upon a $250,000 available line of credit (see Note 7).

NOTE 15: CONTRACTS WITH CUSTOMERS

The Organization routinely enters into service type contracts with the Village of Bald Head Island and will also occasionally enter into similar contracts with other governmental or environmentally involved entities. The contracts are for services related to environmental monitoring, studies and analysis and are for periods of up to three years. The services provided can cover a variety of environmental issues including wildlife, vegetation, erosion and water quality.

The current year contract income can be disaggregated into the following categories:

<table>
<thead>
<tr>
<th>Customer:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Village of Bald Head Island</td>
<td>$ 247,933</td>
</tr>
<tr>
<td>NC State University</td>
<td>45,347</td>
</tr>
<tr>
<td>$ 293,280</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Geographic Region involved:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Southeastern North Carolina</td>
<td>$ 293,280</td>
</tr>
</tbody>
</table>
NOTE 15: CONTRACTS WITH CUSTOMERS (continued)

The current year contract income can be disaggregated into the following categories: (continued)

<table>
<thead>
<tr>
<th>Timing of Revenue Recognition:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Services transferred over time</td>
<td>$ 293,280</td>
</tr>
</tbody>
</table>

Contracts are generally billed monthly to customers as the services are performed and receipt is expected within 30 days of billing. There are no beginning or ending of year contract assets or liabilities. The contract revenue receivable activity is as follows:

| Beginning of year receivables                               | $ 13,759 |
| Current year revenue recorded                               | 293,280 |
| Less: Current year receipts from customers                  | (307,039) |
| End of year receivables                                     | $ 0     |

At December 31, 2022 remaining performance obligations include $108,136 expected future services and billings under the Village of Bald Head Island contract and $18,509 expected future services and billings under the NC State University contract. The Village of Bald Head Island contract expires June 30, 2023 and the NC State University contract expires March 4, 2025.

NOTE 16: COMPARATIVE INFORMATION

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2021, from which the summarized information was derived. Certain prior year revenue and/or expense accounts may have been consolidated or expanded in order to better conform with current year presentation.