
COALITION TO RESTORE COASTAL LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2021

RICHARD  CPAS

COALITION TO RESTORE COASTAL LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2021

COALITION TO RESTORE COASTAL LOUISIANA

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| <u>Independent Auditors' Report</u> | 1-2 |
| <u>Financial Statements</u> | |
| Statements of Financial Position | 3 |
| Statements of Activities | 4 |
| Statements of Functional Expenses | 5 |
| Statements of Cash Flows | 6 |
| <u>Notes to Financial Statements</u> | 7-16 |
| <u>Supplemental Information</u> | |
| Schedule of Compensation, Benefits, and Other Payments to Agency Head | 17 |
| <u>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 <i>Government Auditing Standards</i></u> | 18-19 |
| <u>Schedule of Findings and Responses</u> | 20 |



Independent Auditors' Report

The Board of Directors
Coalition to Restore Coastal Louisiana
New Orleans, Louisiana

We have audited the accompanying financial statements of Coalition to Restore Coastal Louisiana (the Organization), which comprise the statements of financial position as of June 30, 2021, and 2020 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coalition to Restore Coastal Louisiana as of June 30, 2021, and 2020 and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, on page 17, Schedule of Compensation, Benefits, and Other Payments to the Agency Head, is presented for additional analysis and is not a required part of 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 October 29, 2021, on our consideration of the Organization'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 internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
October 29, 2021

COALITION TO RESTORE COASTAL LOUISIANA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

| <u>ASSETS</u> | | |
|---|---------------------|---------------------|
| | 2021 | 2020 |
| <u>ASSETS</u> | | |
| Cash | \$ 746,065 | \$ 691,109 |
| Grants and accounts receivable | 152,610 | 195,126 |
| Other receivables | - | 5,198 |
| Prepaid expenses | 6,909 | 151,745 |
| Investments | 274,071 | 225,937 |
| Property and equipment, net | 4,321 | 6,944 |
| <u>TOTAL ASSETS</u> | \$ 1,183,976 | \$ 1,276,059 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts payable | \$ 75,173 | \$ 177,291 |
| Payroll taxes and other employment related payables | 4,764 | 1,643 |
| Accrued compensated absences | 22,714 | 34,690 |
| Deferred revenues | 40,779 | 371,612 |
| Refundable advance | 17,567 | 71,875 |
| Total current liabilities | 160,997 | 657,111 |
| <u>NET ASSETS</u> | | |
| Without donor restrictions | 600,562 | 236,967 |
| With donor restrictions | 422,417 | 381,981 |
| Total net assets | 1,022,979 | 618,948 |
| <u>TOTAL LIABILITIES AND NET ASSETS</u> | \$ 1,183,976 | \$ 1,276,059 |

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

COALITION TO RESTORE COASTAL LOUISIANA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

| | 2021 | | | 2020 | | |
|---|-------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|-------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| <u>SUPPORT AND REVENUES</u> | | | | | | |
| Grant revenue | \$ 2,307 | \$ 1,078,487 | \$ 1,080,794 | \$ 83,093 | \$ 1,402,958 | \$ 1,486,051 |
| Contributions | 120,790 | 25,400 | 146,190 | 127,056 | - | 127,056 |
| Sponsorships | 238,369 | - | 238,369 | 4,631 | - | 4,631 |
| Registration and fees | 178,562 | - | 178,562 | - | - | - |
| Other income | 300,424 | - | 300,424 | 105,501 | - | 105,501 |
| Investment return, net | 25,154 | - | 25,154 | 238 | - | 238 |
| Net assets released from restrictions | 1,063,451 | (1,063,451) | - | 1,156,002 | (1,156,002) | - |
| Total support and revenues | <u>1,929,057</u> | <u>40,436</u> | <u>1,969,493</u> | <u>1,476,521</u> | <u>246,956</u> | <u>1,723,477</u> |
| <u>EXPENSES</u> | | | | | | |
| Program services | 1,267,155 | - | 1,267,155 | 1,199,358 | - | 1,199,358 |
| Fundraising | 119,491 | - | 119,491 | 71,675 | - | 71,675 |
| Management and general | 178,816 | - | 178,816 | 190,326 | - | 190,326 |
| Total expenses | <u>1,565,462</u> | <u>-</u> | <u>1,565,462</u> | <u>1,461,359</u> | <u>-</u> | <u>1,461,359</u> |
| <u>CHANGE IN NET ASSETS</u> | 363,595 | 40,436 | 404,031 | 15,162 | 246,956 | 262,118 |
| <u>NET ASSETS, BEGINNING OF THE YEAR</u> | <u>236,967</u> | <u>381,981</u> | <u>618,948</u> | <u>221,805</u> | <u>135,025</u> | <u>356,830</u> |
| <u>NET ASSETS, END OF THE YEAR</u> | <u>\$ 600,562</u> | <u>\$ 422,417</u> | <u>\$ 1,022,979</u> | <u>\$ 236,967</u> | <u>\$ 381,981</u> | <u>\$ 618,948</u> |

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

COALITION TO RESTORE COASTAL LOUISIANA
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

| | 2021 | | | | 2020 | | | |
|------------------------------|---------------------|-------------------|------------------------|---------------------|---------------------|------------------|------------------------|---------------------|
| | Program Services | Fundraising | Management and General | Totals | Program Services | Fundraising | Management and General | Totals |
| Salaries | \$ 509,204 | \$ 77,689 | \$ 93,955 | \$ 680,848 | \$ 569,887 | \$ 45,155 | \$ 133,344 | \$ 748,386 |
| Payroll taxes | 38,458 | 5,865 | 8,893 | 53,216 | 43,758 | 3,537 | 9,969 | 57,264 |
| Employee benefits | 59,342 | 9,002 | 14,681 | 83,025 | 64,195 | 4,937 | 11,490 | 80,622 |
| Total compensation | <u>607,004</u> | <u>92,556</u> | <u>117,529</u> | <u>817,089</u> | <u>677,840</u> | <u>53,629</u> | <u>154,803</u> | <u>886,272</u> |
| Advertising and sponsorship | 5,954 | - | - | 5,954 | 9,775 | 145 | 260 | 10,180 |
| Continuing education | 2,018 | - | - | 2,018 | 35 | - | - | 35 |
| Contractors | 507,093 | 5,902 | 1,131 | 514,126 | 328,841 | 1,000 | 150 | 329,991 |
| Depreciation | - | - | 2,623 | 2,623 | - | - | 924 | 924 |
| Dues, fees, and registration | 17,649 | 1,969 | 13,815 | 33,433 | 28,550 | 5,418 | 11,393 | 45,361 |
| Equipment rental and storage | 7,251 | - | - | 7,251 | 13,591 | - | 321 | 13,912 |
| Gifts and miscellaneous | 6,250 | 80 | 1,573 | 7,903 | 566 | - | 39 | 605 |
| Insurance | 4,546 | - | 7,269 | 11,815 | 4,516 | - | 7,220 | 11,736 |
| Interest and bank charges | - | - | 3,303 | 3,303 | 930 | - | 1,650 | 2,580 |
| Legal and accounting | 20,860 | - | 20,440 | 41,300 | 17,978 | - | 7,800 | 25,778 |
| Meals and entertainment | - | - | 4,236 | 4,236 | 420 | - | 545 | 965 |
| Printing and postage | 4,477 | 2,157 | - | 6,634 | (22) | 5,096 | - | 5,074 |
| Rent | 39,267 | - | 2,296 | 41,563 | 45,104 | - | 2,637 | 47,741 |
| Repairs and maintenance | - | - | - | - | 295 | - | - | 295 |
| Supplies | 30,413 | 16,007 | 3,789 | 50,209 | 36,933 | 6,059 | 1,151 | 44,143 |
| Travel | 10,920 | 820 | - | 11,740 | 29,350 | 328 | 338 | 30,016 |
| Utilities and telephone | 3,453 | - | 812 | 4,265 | 4,656 | - | 1,095 | 5,751 |
| Total expenses | <u>\$ 1,267,155</u> | <u>\$ 119,491</u> | <u>\$ 178,816</u> | <u>\$ 1,565,462</u> | <u>\$ 1,199,358</u> | <u>\$ 71,675</u> | <u>\$ 190,326</u> | <u>\$ 1,461,359</u> |

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

COALITION TO RESTORE COASTAL LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|-------------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| Change in net assets | \$ 404,031 | \$ 262,118 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation | 2,623 | 924 |
| Unrealized gain on investments | (23,134) | (1,319) |
| Changes in operating assets and liabilities: | | |
| Grants receivable | 42,516 | (5,038) |
| Other receivables | 5,198 | 13,465 |
| Prepaid expenses | 144,836 | (138,755) |
| Accounts payable | (102,118) | 140,791 |
| Payroll taxes and other employment related payables | 3,121 | (3,546) |
| Accrued compensated absences | (11,976) | 2,261 |
| Deferred revenues | (330,833) | 371,612 |
| Refundable advance | (54,308) | (3,582) |
| Net cash provided by operating activities | <u>79,956</u> | <u>638,931</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | |
| Purchase of equipment | - | (7,868) |
| Purchases of investments | (25,000) | (25,000) |
| Net cash used in investing activities | <u>(25,000)</u> | <u>(32,868)</u> |
| Net change in cash and cash equivalents | 54,956 | 606,063 |
| Cash and cash equivalents, beginning of year | <u>691,109</u> | <u>85,046</u> |
| Cash and cash equivalents, end of year | <u>\$ 746,065</u> | <u>\$ 691,109</u> |

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

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

1. Significant Accounting Policies

Organization

The Coalition to Restore Coastal Louisiana (the Organization) is a nonprofit organization dedicated to the preservation and restoration of Louisiana's coast. The Organization's main office is in New Orleans, Louisiana, and the Organization works throughout the State of Louisiana to educate the public about coastal restoration and to shape policy to focus on science-based strategies and projects. The Organization has expertise in science, outreach and on the ground restoration. Through volunteers, members, conferences, newsletters, and partner organizations, the Organization connects with thousands of people each year.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

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

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions net assets for an operating reserve or board-designated endowment.

Net assets with donor restrictions – Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

Cash equivalents are all highly liquid investments with maturities of three months or less at date of acquisition.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

1. Significant Accounting Policies (continued)

Grants and Accounts Receivable

Grants and accounts receivable are stated at the amount management expects to collect. Management provides for probably uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management believes all outstanding balances as of June 30, 2021, and 2020 to be fully collectible.

Investments

The Organization reports investments in equity securities with readily determinable fair values and investments in debt securities at the fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Interest and dividend income are recorded on the accrual basis.

Property and Equipment

Property and equipment are carried at cost when purchased and at fair market value when received as a donation. The Organization's policy is to capitalize property and equipment over \$500. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period.

The cost of maintenance and repairs is charged to expense as incurred. Additions, improvements, and betterments to property and equipment are capitalized. The major classes of property and equipment include office and computer equipment and furniture and fixtures and are depreciated over an estimated useful life between 3-7 years.

Depreciation expense for the years ended June 30, 2021 and 2020 totaled \$2,623 and \$924, respectively.

Contributions and Revenue Recognition

Contributions received are recorded as without donor-restricted support or donor-restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

1. Significant Accounting Policies (continued)

Contributions and Revenue Recognition (continued)

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Consequently at June 30, 2021 and 2020, contributions of \$15,000, have not been recognized in the accompanying statement of activities because the conditions on which they depend has not yet been met.

Special event fees, including registration and related fees for the State of the Coast event, are recorded as revenue in the year the event is held. Special event fees collected in advance for an event scheduled in a future year is recorded as deferred revenue.

Contributed Services and Materials

A substantial number of unpaid volunteers have made significant contributions of their time and expertise in the development of the Organization's programs, principally in community-based restoration projects. No amounts have been included in the financial statements for donated services since no objective basis is available to measure the value of such services or they do not qualify for recognition under accounting principles generally accepted in the United States of America. Additionally, no donated materials were received by the Organization for the years ended June 30, 2021 and 2020.

Advertising Costs

The Organization expenses advertising costs as incurred. Advertising expense for the years ended June 30, 2021, and 2020 totaled \$5,954 and \$10,180, respectively.

Income Taxes

Coalition to Restore Coastal Louisiana is a nonprofit corporation exempt from federal income taxes under provisions of the Internal Revenue Service Code Sections 501(c) (3), respectively, and therefore, no provision has been made for federal and state income taxes. It qualifies as an organization that is not a private foundation as defined in Section 509 (a) of the code. It is exempt from Louisiana income tax under the authority of R.S.47:121(5).

Coalition to Restore Coastal Louisiana applies a "more-likely-than-not" recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than 50% likelihood of being sustained upon examination by the taxing authorities. As a result of implementing this approach, the Organization has reviewed its tax positions and determined there were no outstanding, or retroactive tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities, therefore the implementation of this standard has not had a material effect of the Organization.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

1. Significant Accounting Policies (continued)

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs, primarily salaries, benefits, rent, insurance and professional fees have been allocated among the programs and supporting services benefited. The allocation between functions is based on time spent by specific employees for the various projects throughout the year. All other costs are charged directly to the appropriate functional category.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of additions to and reduction of net assets during the reported period. Accordingly, actual results may differ from those estimates.

New Accounting Pronouncements – Adopted

In May 2014, the FASB issued ASU NO. 2014-09, (Topic 606) Revenue from Contracts with Customers. This ASU is a comprehensive new revenue recognition model that requires an organization to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods and services. Additional disclosure is required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. This standard was adopted by the Organization effective July 1, 2020, using the full retrospective method. The adoption of this standard did not have a material impact on the Organization's financial statements.

New Accounting Pronouncements – Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, Leases, which requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, Leases (Topic 842): Targeted Improvements, to simplify the lease standard's implementation. The amended guidance relieves businesses and other organizations of the requirement to present prior comparative years' results when they adopt the new lease standard. On June 3, 2020, the FASB deferred the effective date of this standard for certain entities. This standard is effective for the Organization's year ending June 30, 2023.

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07 on Topic 958, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The FASB ASU requires the new standard to be applied retrospectively, with amendments taking effect for the Organization's year ending June 30, 2022.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

2. Liquidity and Availability

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

| | <u>2021</u> | <u>2020</u> |
|---|--------------------------|--------------------------|
| Cash and cash equivalents | \$ 746,065 | \$ 691,109 |
| Grants and accounts receivable | 152,610 | 195,126 |
| Other receivables | - | 5,198 |
| Investments | <u>274,071</u> | <u>225,937</u> |
| Total financial assets | <u>1,172,746</u> | <u>1,117,370</u> |
| Less: funds subject to donor-imposed restrictions | <u>(422,417)</u> | <u>(381,981)</u> |
| Total available financial assets | <u><u>\$ 750,329</u></u> | <u><u>\$ 735,389</u></u> |

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a near balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

3. Grants and Accounts Receivable

The grants and accounts receivable balances as of June 30, 2021, and 2020 and consist of the following:

| | <u>2021</u> | <u>2020</u> |
|--|--------------------------|--------------------------|
| National Fish and Wildlife Foundation | \$ 24,991 | \$ 85,987 |
| Foundation for Louisiana | - | 62,000 |
| Louisiana Department of Wildlife and Fisheries | 24,992 | 25,457 |
| GIVE NOLA Day | 17,743 | 10,227 |
| Environmental Protection Agency | 1,335 | 2,311 |
| Other grants | 10,544 | 9,144 |
| United States Treasury (ERTC) | <u>73,005</u> | <u>-</u> |
| | <u><u>\$ 152,610</u></u> | <u><u>\$ 195,126</u></u> |

On April 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which created the Employee Retention Tax Credit (ERTC). The ERTC was extended and modified by the American Rescue Plan Act of 2021. The Organization has recognized \$73,005 in other income in accordance with ASC 958-605 for the ERTC earned in the first quarter of 2021.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

4. Investments

Investments consisted of mutual funds totaling \$274,071 and \$225,937 as of June 30, 2021, and 2020, respectively.

The Organization has the following investment return for the years ended June 30, 2021, and 2020.

| | <u>2021</u> | <u>2020</u> |
|-------------------------------------|------------------|----------------|
| Interest and dividend income | \$ 6,728 | \$ 6,808 |
| Realized and unrealized gain (loss) | 20,563 | (5,255) |
| Investment fees | <u>(2,137)</u> | <u>(1,315)</u> |
| | <u>\$ 25,154</u> | <u>\$ 238</u> |

5. Deferred Revenue

Deferred revenue at June 30, 2021 and 2020, consist of:

| | <u>2021</u> | <u>2020</u> |
|------------------------------------|------------------|-------------------|
| State of Coast - Registration fees | \$ - | \$ 149,643 |
| State of Coast - Sponsorship | 40,779 | 177,000 |
| State of Coast - Exhibitor fees | - | 32,500 |
| SAB | - | 12,469 |
| | <u>\$ 40,779</u> | <u>\$ 371,612</u> |

The State of the Coast event originally scheduled to occur in May 2020, was delayed due to COVID-19 and rescheduled in June 2021. The sponsorships, registrations fees, and exhibitor fees either collected in advance or included in grants and accounts receivable as of June 30, 2020, are included in deferred revenue until the event occurred in 2021. Deferred sponsorship revenue at June 30, 2021 is for the State of the Coast event scheduled in 2023.

6. Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2021 and 2020, consist of:

| | <u>2021</u> | <u>2020</u> |
|--------------------------------|-------------------|-------------------|
| Outreach Program | \$ 174,353 | \$ 257,848 |
| Oyster Shell Recycling Program | 216,162 | 112,421 |
| Habitat Restoration Program | <u>31,902</u> | <u>11,712</u> |
| | <u>\$ 422,417</u> | <u>\$ 381,981</u> |

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

6. Net Assets with Donor Restrictions (continued)

Net assets were released from restrictions for satisfaction of purpose during the years ended June 30, 2021, and 2020:

| | <u>2021</u> | <u>2020</u> |
|---------------------------------------|---------------------|---------------------|
| Outreach Program | \$ 653,620 | \$ 565,577 |
| Oyster Shell Recycling Program | 277,155 | 262,231 |
| Habitat Restoration Program | 132,676 | 170,209 |
| Administrative and General Operations | - | 157,985 |
| | <u>\$ 1,063,451</u> | <u>\$ 1,156,002</u> |

7. Fair Value Measurements

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

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

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement determined using model-based techniques that include option pricing model, discounted cash flow models and similar techniques.

The asset 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.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

7. Fair Value Measurements (continued)

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, 2021 and 2020.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish its daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

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 the Plan 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 reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2021, and 2020.

| Balance at June 30, 2021 | Level 1 | Level 2 | Level 3 | Total |
|---------------------------|-------------------|-------------|-------------|-------------------|
| Government Bond | \$ 61,596 | \$ - | \$ - | \$ 61,596 |
| Corporate Bonds | 61,135 | - | - | 61,135 |
| US Fixed Income | 56,699 | - | - | 56,699 |
| US Equity | 50,429 | - | - | 50,429 |
| Global Equity | 18,740 | - | - | 18,740 |
| Cash and Cash Equivalents | 25,472 | - | - | 25,472 |
| Total | <u>\$ 274,071</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 274,071</u> |
| Balance at June 30, 2020 | Level 1 | Level 2 | Level 3 | Total |
| Government Bond | \$ 25,005 | \$ - | \$ - | \$ 25,005 |
| Corporate Bonds | 32,545 | - | - | 32,545 |
| US Fixed Income | 77,226 | - | - | 77,226 |
| US Equity | 25,815 | - | - | 25,815 |
| Global Equity | 32,642 | - | - | 32,642 |
| Cash and Cash Equivalents | 32,704 | - | - | 32,704 |
| Total | <u>\$ 225,937</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 225,937</u> |

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

8. Operating Leases

The Organization leases office space in New Orleans. Effective August 2019, the Organization amended the lease terms through July 31, 2021, at \$3,401 per month. Effective August 2021, the Organization amended the lease terms through January 2022 at \$3,413 per month.

Rent expense for the years ended June 30, 2021, and 2020 was \$41,563 and \$47,741, respectively. Future minimum payments under the non-cancelable leases in effect as of June 30, 2021, are \$23,891 through January 2022.

9. Employee Benefits

The Organization currently gives each employee 3% of each employee's yearly salary and is places in a 403(b) account with an employee-funded portion to match an additional 2% of an employee's contribution. option to contribute to a 403(b) account within Internal Revenue Code limitations. The Organization's contributions to the plan totaled \$34,462 and \$35,296 for the years ended June 30, 2021 and 2020, respectively.

10. Concentration of Credit Risk

The Organization maintains its cash and cash equivalent balances in several financial institutions. Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposits may not be returned to them. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2021 and 2020, the Organization had cash amounts in excess of FDIC insurance limits of \$496,033 and \$355,640, respectively.

11. Small Business Administration Loan

On May 4, 2020, the Organization received U.S. Small Business Administration (SBA) Paycheck Protection Program loan proceeds in the amount of \$160,800. This loan is potentially forgivable if the Organization meets certain criteria provided by the SBA. The loan has an interest rate of 1% and is due five years from the date of origination. The Paycheck Protection Program loan does not require any collateral or personal guarantees associated with this loan. The Organization has recorded the loan proceeds in accordance with ASC 958-605 and recognized other income of \$104,531 for which the eligible expenses were incurred during the year ended June 30, 2020. The balance of \$56,269 is recorded on the statement of financial position as a refundable advance at June 30, 2020 and was recognized as other income during the year ended June 30, 2021. On May 18, 2021 the loan of \$160,800 was forgiven by the SBA.

On March 31, 2021, the Organization received U.S. Small Business Administration (SBA) Paycheck Protection Program loan proceeds in the amount of \$155,955. This loan is potentially forgivable if the Organization meets certain criteria provided by the SBA. The loan has an interest rate of 1% and is due five years from the date of origination. The Paycheck Protection Program loan does not require any collateral or personal guarantees associated with this loan. The Organization has recorded the loan proceeds in accordance with ASC 958-605 and recognized other income of \$155,955 for which the eligible expenses were incurred during the year ended June 30, 2021.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

12. Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets in the local area and around the world. The Organization is uncertain how long these conditions will last and what the complete financial effect will be.

13. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 29, 2021, and determined no items require disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

COALITION TO RESTORE COASTAL LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2021

Agency Head Name: Kim Reyher, Executive Director

| <u>Purpose</u> | <u>Amount</u> |
|--|------------------|
| Salary | \$ 11,855 |
| Benefits - insurance | 591 |
| Benefits - retirement | - |
| Benefits - other | - |
| Car allowance | - |
| Vehicle provided by government | - |
| Per diem | - |
| Reimbursements | - |
| Travel | - |
| Registration fees | - |
| Conference travel | - |
| Continuing professional education fees | - |
| Housing | - |
| Unvouchered expenses | - |
| Special meals | - |
| | <u>\$ 12,446</u> |

Louisiana Revised Statute 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees to be reported as a supplemental report within the financial statement of local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

See accompanying independent auditor's report.

OTHER REPORT



**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**

The Board of Directors
Coalition to Restore Coastal Louisiana
New Orleans, Louisiana

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 Coalition to Restore Coastal Louisiana (the Organization), which comprise the statement of financial position as of June 30, 2021, 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 October 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coalition to Restore Coastal Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coalition to Restore Coastal Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coalition to Restore Coastal Louisiana's financial statements are free of material misstatements, 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 matters that are 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richard CPAS

Metairie, Louisiana
October 29, 2021

COALITION TO RESTORE COASTAL LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2021

1. Summary of Independent Auditors' Results

Financial Statements

(a) The type of report issued on the basic financial statements: **Unmodified**

(b) Internal control over financial reporting:

Material weakness(es) identified: **None reported**

Significant deficiency(ies) identified: **None reported**

(c) Noncompliance which is material to the basic financial statements: **None reported**

2. Current Year Findings relating to the basic financial statements reported in accordance with Government Auditing Standards

-None

3. Prior Year Findings relating to the basic financial statements reported in accordance with Government Auditing Standards

-None