
COALITION TO RESTORE COASTAL LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2022

RICHARD  CPAS

COALITION TO RESTORE COASTAL LOUISIANA

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

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, 2022, and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Coalition to Restore Coastal Louisiana as of June 30, 2022, and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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. 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 Coalition to Restore Coastal Louisiana 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 basis for our audit opinions.

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 the Coalition to Restore Coastal Louisiana'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Coalition to Restore Coastal Louisiana'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition to Restore Coastal Louisiana's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, on page 18, 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 26, 2022, 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 26, 2022

COALITION TO RESTORE COASTAL LOUISIANA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>ASSETS</u>	
	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 793,777	\$ 746,065
Grants and accounts receivable	220,145	152,610
Prepaid expenses	24,701	6,909
Investments	478,006	274,071
Property and equipment, net	<u>1,698</u>	<u>4,321</u>
<u>TOTAL ASSETS</u>	<u>\$ 1,518,327</u>	<u>\$ 1,183,976</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 53,080	\$ 75,173
Payroll taxes and other employment related payables	4,794	4,764
Accrued compensated absences	22,353	22,714
Deferred revenues	41,083	40,779
Refundable advance	-	17,567
Total liabilities	<u>121,310</u>	<u>160,997</u>
<u>NET ASSETS</u>		
Without donor restrictions	756,941	600,562
With donor restrictions	<u>640,076</u>	<u>422,417</u>
Total net assets	<u>1,397,017</u>	<u>1,022,979</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 1,518,327</u>	<u>\$ 1,183,976</u>

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, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>SUPPORT AND REVENUES</u>						
Grant revenue	\$ 4,999	\$ 1,572,224	\$ 1,577,223	\$ 2,307	\$ 1,078,487	\$ 1,080,794
Contributions	235,845	187,573	423,418	120,790	25,400	146,190
Sponsorships	22,000	8,470	30,470	238,369	-	238,369
Registration and fees	20,613	-	20,613	178,562	-	178,562
Other income	16,001	-	16,001	300,424	-	300,424
Investment return, net	(34,036)	-	(34,036)	25,154	-	25,154
Net assets released from restrictions	1,550,608	(1,550,608)	-	1,063,451	(1,063,451)	-
Total support and revenues	<u>1,816,030</u>	<u>217,659</u>	<u>2,033,689</u>	<u>1,929,057</u>	<u>40,436</u>	<u>1,969,493</u>
<u>EXPENSES</u>						
Program services	1,216,344	-	1,216,344	1,267,155	-	1,267,155
Fundraising	147,560	-	147,560	119,491	-	119,491
Management and general	295,747	-	295,747	178,816	-	178,816
Total expenses	<u>1,659,651</u>	<u>-</u>	<u>1,659,651</u>	<u>1,565,462</u>	<u>-</u>	<u>1,565,462</u>
<u>CHANGE IN NET ASSETS</u>	156,379	217,659	374,038	363,595	40,436	404,031
<u>NET ASSETS, BEGINNING 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>
<u>NET ASSETS, END OF THE YEAR</u>	<u>\$ 756,941</u>	<u>\$ 640,076</u>	<u>\$ 1,397,017</u>	<u>\$ 600,562</u>	<u>\$ 422,417</u>	<u>\$ 1,022,979</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, 2022 AND 2021

	2022				2021			
	Program Services	Fundraising	Management and General	Total	Program Services	Fundraising	Management and General	Total
Salaries	\$ 528,999	\$ 57,017	\$ 107,145	\$ 693,161	\$ 509,204	\$ 77,689	\$ 93,955	\$ 680,848
Payroll taxes	40,629	4,379	8,229	53,237	38,458	5,865	8,893	53,216
Employee benefits	65,732	7,085	13,313	86,130	59,342	9,002	14,681	83,025
Total compensation	<u>635,360</u>	<u>68,481</u>	<u>128,687</u>	<u>832,528</u>	<u>607,004</u>	<u>92,556</u>	<u>117,529</u>	<u>817,089</u>
Advertising and sponsorship	6,575	1,290	504	8,369	5,954	-	-	5,954
Bad debt	-	-	2,500	2,500	-	-	-	-
Community partnerships	51,500	-	-	51,500	-	-	-	-
Continuing education	4,176	109	811	5,096	2,018	-	-	2,018
Contractors	173,148	11,525	107,875	292,548	507,093	5,902	1,131	514,126
Depreciation	-	-	2,623	2,623	-	-	2,623	2,623
Dues, fees, and registration	26,268	3,363	3,654	33,285	17,649	1,969	13,815	33,433
Equipment rental and storage	4,170	-	-	4,170	7,251	-	-	7,251
Gifts and miscellaneous	2,640	3,152	5,957	11,749	6,250	80	1,573	7,903
Insurance	13,155	1,385	5,435	19,975	4,546	-	7,269	11,815
Interest and bank charges	-	22	2,167	2,189	-	-	3,303	3,303
Legal and accounting	60,631	6,837	13,252	80,720	20,860	-	20,440	41,300
Meals and entertainment	-	-	10,528	10,528	-	-	4,236	4,236
Printing and postage	6,072	16,718	859	23,649	4,477	2,157	-	6,634
Rent	32,376	6,592	5,328	44,296	39,267	-	2,296	41,563
Subgrant	65,000	-	-	65,000	-	-	-	-
Supplies	103,513	24,034	2,677	130,224	30,413	16,007	3,789	50,209
Travel	28,973	3,770	2,431	35,174	10,920	820	-	11,740
Utilities and telephone	2,787	282	459	3,528	3,453	-	812	4,265
Total expenses	<u>\$ 1,216,344</u>	<u>\$ 147,560</u>	<u>\$ 295,747</u>	<u>\$ 1,659,651</u>	<u>\$ 1,267,155</u>	<u>\$ 119,491</u>	<u>\$ 178,816</u>	<u>\$ 1,565,462</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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 374,038	\$ 404,031
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,623	2,623
Unrealized loss (gain) on investments	36,065	(23,134)
Changes in operating assets and liabilities:		
Grants receivable	(67,535)	42,516
Other receivables	-	5,198
Prepaid expenses	(17,792)	144,836
Accounts payable	(22,093)	(102,118)
Payroll taxes and other employment related payables	30	3,121
Accrued compensated absences	(361)	(11,976)
Deferred revenues	304	(330,833)
Refundable advance	(17,567)	(54,308)
Net cash provided by operating activities	<u>287,712</u>	<u>79,956</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of investments	(240,000)	(25,000)
Net cash used in investing activities	<u>(240,000)</u>	<u>(25,000)</u>
Net change in cash and cash equivalents	47,712	54,956
Cash and cash equivalents, beginning of year	<u>746,065</u>	<u>691,109</u>
Cash and cash equivalents, end of year	<u>\$ 793,777</u>	<u>\$ 746,065</u>

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

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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. The Organization connects with key stakeholders, donors, and the general public through volunteer opportunities, memberships, conferences, newsletters, and partner organizations.

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, 2022

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, 2022, and 2021 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, 2022 and 2021 totaled \$2,623 and \$2,623, 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, 2022

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, 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. During the year ended June 20, 2022, the conditions were met and the organization recognized revenue of \$15,000.

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, 2022, and 2021.

Advertising Costs

The Organization expenses advertising costs as incurred. Advertising expense for the years ended June 30, 2022, and 2021 totaled \$8,369 and \$5,954, 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, 2022

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.

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. The adoption of this standard did not have a material impact on the Organization's financial statements.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

1. Significant Accounting Policies (continued)

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.

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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 793,777	\$ 746,065
Grants and accounts receivable	220,145	152,610
Investments	<u>478,006</u>	<u>274,071</u>
Total financial assets	<u>1,491,928</u>	<u>1,172,746</u>
Less: funds subject to donor-imposed restrictions	<u>(640,076)</u>	<u>(422,417)</u>
Total available financial assets	<u>\$ 851,852</u>	<u>\$ 750,329</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.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

3. Grants and Accounts Receivable

The grants and accounts receivable balances as of June 30, 2022, and 2021 and consist of the following:

	<u>2022</u>	<u>2021</u>
National Academies of Sciences Engineering Medicine	\$ 134,571	\$ -
TC Energy Foundation	25,000	-
Louisiana Coastal Protection and Restoration Authority	18,371	-
Other grants	15,780	10,544
Clarke Environmental	15,000	-
Environmental Protection Agency	11,423	1,335
National Fish and Wildlife Foundation	-	24,991
Louisiana Department of Wildlife and Fisheries	-	24,992
GIVE NOLA Day	-	17,743
United States Treasury	-	73,005
	<u>\$ 220,145</u>	<u>\$ 152,610</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. During the year ended June 30, 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. The Organization collected the ERTC receivable in May 2022.

4. Investments

Investments consisted of mutual funds totaling \$478,006 and \$274,071 as of June 30, 2022, and 2021, respectively.

The Organization has the following investment return for the years ended June 30, 2022, and 2021.

	<u>2022</u>	<u>2021</u>
Interest and dividend income	\$ 10,677	\$ 6,728
Realized and unrealized gain (loss)	(39,876)	20,563
Investment fees	(4,837)	(2,137)
Investment return, net	<u>\$ (34,036)</u>	<u>\$ 25,154</u>

5. Deferred Revenues

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, 2022 and 2021 are for the State of the Coast event scheduled in 2023.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

6. Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2022 and 2021, consist of:

	<u>2022</u>	<u>2021</u>
Outreach Program	\$ 238,864	\$ 174,353
Oyster Shell Recycling Program	224,637	216,162
Native Plants Program	<u>176,575</u>	<u>31,902</u>
	<u>\$ 640,076</u>	<u>\$ 422,417</u>

Net assets were released from restrictions for satisfaction of purpose during the years ended June 30, 2022, and 2021:

	<u>2022</u>	<u>2021</u>
Outreach Program	\$ 1,149,097	\$ 653,620
Oyster Shell Recycling Program	216,569	277,155
Native Plants Program	<u>184,942</u>	<u>132,676</u>
	<u>\$ 1,550,608</u>	<u>\$ 1,063,451</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.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

7. Fair Value Measurements (continued)

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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

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 Organization 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, 2022, and 2021.

Balance at June 30, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government Bond	\$ 166,093	\$ -	\$ -	\$ 166,093
Corporate Bonds	155,932	-	-	155,932
US Fixed Income	49,901	-	-	49,901
US Equity	50,170	-	-	50,170
Global Equity	17,737	-	-	17,737
Cash and Cash Equivalents	38,173	-	-	38,173
Total	<u>\$ 478,006</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478,006</u>

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

7. Fair Value Measurements (continued)

Balance at June 30, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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>

8. Operating Lease

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. Effective February 2022, the Organization amended the lease terms through July 2023 at \$3,408 per month.

Rent expense for the years ended June 30, 2022, and 2021 was \$44,296 and \$41,563, respectively. Future minimum payments under the non-cancelable leases in effect as of June 30, 2021, are \$44,299 through July 2023.

9. Employee Benefits

The Organization offers a tax-deferred annuity plan qualified under IRC Section 403(b) covering all employees. The plan provides employees the option to contribute 3% of their earnings to the plan and the Organization matches an additional 2% of the employee's contribution. The Organization's contributions to the plan totaled \$34,385 and \$34,462 for the years ended June 30, 2022 and 2021, 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, 2022 and 2021, the Organization had cash amounts in excess of FDIC insurance limits of \$551,613 and \$496,033, respectively. The Organization has not experienced any losses and does not believe that significant risk exists as a result of this practice.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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. On April 18, 2022 the loan of \$155,955 was forgiven by the SBA.

12. Risks and Uncertainties

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption of financial markets. The operations of the Organization were impacted by COVID-19 during the year ended December 31, 2021, in accordance with local, state, and federal requirements. The extent of the continuing impact of the COVID-19 pandemic on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the Organization's donors, employees and vendors, all of which are uncertain and cannot be predicted.

13. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 26, 2022, 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, 2022

Agency Head Name: Kim Reyher, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 2,530
Benefits - insurance	127
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>\$ 2,657</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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2022.

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 26, 2022