

**South Carolina Coastal  
Conservation League, Inc.**

Audited Financial Statements

For The Year Ended  
December 31, 2008



**DIXON HUGHES** PLLC  
Certified Public Accountants and Advisors





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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
South Carolina Coastal Conservation League, Inc.

We have audited the accompanying statement of financial position of South Carolina Coastal Conservation League, Inc. (a nonprofit organization) as of December 31, 2008, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Carolina Coastal Conservation League, Inc. as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Dixon Hughes PLLC*

Charleston, South Carolina  
August 12, 2009

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SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2008

ASSETS

Current Assets

Cash and cash equivalents	\$ 162,286
Accounts receivable	36,132
Promises to give, net of allowance of \$84,818	1,026,824
Prepaid expenses	41,894
Property held for sale	<u>115,000</u>
Total current assets	1,382,136

Non-current Assets

Cash designated for long-term use	796,655
Property and equipment, net of accumulated depreciation of \$211,613	101,059
Investments, designated for long-term use	4,001,184
Promises to give, net of allowance of \$199,916	<u>1,590,908</u>
Total non-current assets	<u>6,489,806</u>

• Total assets	<u><u>\$ 7,871,942</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 91,807
Accrued expenses	62,214
Employee benefits payable	<u>64,591</u>
Total liabilities	218,612

Net Assets

Unrestricted:	
Operating	1,025,742
Board designated	<u>4,912,839</u>
Total unrestricted	5,938,581
Temporarily restricted	<u>1,714,749</u>
Total net assets	<u>7,653,330</u>

Total liabilities and net assets	<u><u>\$ 7,871,942</u></u>
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The accompanying notes are an intergral part of these financial statements.



SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008

	Unrestricted			Temporarily	
	Operating	Designated	Total	Restricted	Total
<b>Support and Revenues</b>					
Contributions	\$ 1,787,033	\$ 868,845	\$ 2,655,878	\$ 260,385	\$ 2,916,263
Grants	772,650	28,048	800,698	389,421	1,190,119
Interest and investment return	670	(1,643,505)	(1,642,835)	-	(1,642,835)
Other income	24,195	-	24,195	-	24,195
Total support and revenue	2,584,548	(746,612)	1,837,936	649,806	2,487,742
Net assets released from restriction	-	623,753	623,753	(623,753)	-
Total support and revenue and net assets released from restriction	2,584,548	(122,859)	2,461,689	26,053	2,487,742
<b>Expenses</b>					
Program services:					
Water and air quality	791,107	-	791,107	-	791,107
Land use	1,715,362	-	1,715,362	-	1,715,362
Forestry and wildlife	29,182	-	29,182	-	29,182
Public education	495,113	-	495,113	-	495,113
Climate	644,816	-	644,816	-	644,816
Total program services	3,675,580	-	3,675,580	-	3,675,580
Supporting services:					
General and administrative	438,831	-	438,831	-	438,831
Fundraising	467,944	-	467,944	-	467,944
Total supporting services	906,775	-	906,775	-	906,775
Total expenses	4,582,355	-	4,582,355	-	4,582,355
Interfund transfers	1,366,019	(1,366,019)	-	-	-
Increase (decrease) in net assets	(631,788)	(1,488,878)	(2,120,666)	26,053	(2,094,613)
Net assets at beginning of year	1,657,530	6,401,717	8,059,247	1,688,696	9,747,943
Net assets at end of year	\$ 1,025,742	\$ 4,912,839	\$ 5,938,581	\$ 1,714,749	\$ 7,653,330

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



**SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**Cash Flows from Operating Activities:**

Decrease in net assets	\$ (2,094,613)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Net loss on investments	1,893,250
Depreciation	33,765
Bad debt expense	347,019
Write down of property held for sale	40,000
Loss on sale of property held for sale	74,024
Loss on sale of property and equipment	4,675
(Increase) decrease in assets:	
Accounts receivable	12,499
Prepaid expenses	16,353
Promises to give, net	(430,627)
Increase (decrease) in liabilities:	
Account payable	54,482
Accrued expenses	(33,424)
Employee benefit payable	44,051
	(38,546)
Net cash used by operating activities	(38,546)

**Cash Flows from Investing Activities:**

Purchases of investments	(5,675,054)
Proceeds from sales of investments	5,432,883
Purchases of property and equipment	(33,423)
Purchases of property held for sale	(21,618)
Proceeds from sales of property held for sale	887,594
	590,382
Net cash provided by investing activities	590,382
Net increase in cash	551,836
Cash and cash equivalents at beginning of year	407,105
Cash and cash equivalents at end of year	\$ 958,941

**Statement of Financial Position Captions:**

Cash and cash equivalents	\$ 162,286
Cash designated for long-term use	796,655
	\$ 958,941

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



SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.  
 STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Supporting Services				Total
	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Salaries	\$ 1,074,879	\$ 227,087	\$ 211,948	\$ 439,035	\$ 1,513,914
Employee benefits	252,139	53,269	49,718	102,987	355,126
Professional services	1,537,357	12,679	12,762	25,441	1,562,798
Office expenses	273,150	57,705	53,861	111,566	384,716
Printing and postage	89,903	2,313	47,502	49,815	139,718
Travel	38,011	2,431	5,297	7,728	45,739
Events	55,509	8,424	16,928	25,352	80,861
Loss on sale / write-down of asset	84,276	17,805	16,618	34,423	118,699
Depreciation and bad debt expense	270,356	57,118	53,310	110,428	380,784
<b>Total expenses</b>	<b>\$ 3,675,580</b>	<b>\$ 438,831</b>	<b>\$ 467,944</b>	<b>\$ 906,775</b>	<b>\$ 4,582,355</b>

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



**SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**1. Summary of Significant Accounting Policies**

Nature of Activities

The South Carolina Coastal Conservation League, Inc. (the "League") incorporated on March 12, 1989 as a nonprofit organization under the laws of the State of South Carolina. The primary purpose of the South Carolina Coastal Conservation League, Inc. is to identify, study, analyze, and research environmental issues and policies affecting the coastal area of South Carolina, as well as public education. The South Carolina Coastal Conservation League, Inc. has identified six major areas of emphasis: water and air quality, land use, forestry, wildlife, climate and energy, and public education. The League's programs are supported primarily by contributions and grants.

Basis of Accounting

South Carolina Coastal Conservation League, Inc. prepares its financial statements in accordance with the accrual basis of accounting and accordingly reflects all significant receivables, payables and other liabilities.

Basis of Presentation

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, the League reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

*Unrestricted Net Assets*

Net assets without donor imposed restrictions and currently available for program and supporting services.

*Temporarily Restricted Net Assets*

Net assets subject to donor imposed stipulations that may or will be met by actions of the League and/or the passage of time.

*Permanently Restricted Net Assets*

Net assets restricted by donors to be maintained permanently by the League. There were no permanently restricted net assets as of December 31, 2008.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, the League considers all highly liquid investments with a remaining maturity of three months or less at date of purchase to be cash equivalents.

Donated Assets and Services

The South Carolina Coastal Conservation League, Inc. records the value of donated goods or services when there is an objective basis available to measure their value. The League reflects donated materials and equipment as contributions in the accompanying statements at their estimated fair values at the date of receipt.

The League received donated services valued at \$1,017,200 during the year ended December 31, 2008. The League has included this amount in both contributions and expenses in the statements of activities for the year ended December 31, 2008.



**SOUTH CAROLINA COASTAL CONVERSATION LEAGUE, INC**  
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Property and Equipment, and Depreciation

All acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on a straight-line basis over the appropriate estimated useful lives.

Contributions

Unconditional promises to give are recorded as contributions in the year pledges are made. Contributions for support of current operations are included in the statement of activities as unrestricted, while pledges for support of future operations are reported as increases in temporarily restricted net assets until the donor-imposed stipulation expires. Contributions are released from restriction as the nature of the restriction changes, or restrictions are satisfied.

Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

Income Taxes

The League is a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

In accordance with FASB Staff Position No. FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises* (FSP FIN 48-3), the League has elected to defer application of the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, (FIN 48) as of and for the year ended December 31, 2008. The League continues to account for uncertain tax positions in accordance with the principles of Statement of Financial Accounting Standards No. 5, *Accounting for Contingencies*, under which liabilities for uncertain tax positions are recognized in the financial statements when it becomes probable a liability has been incurred and the amount can be reasonably estimated. Unless the deferral is extended further, the League will be required to adopt the provisions of FIN 48 for the year ended December 31, 2009. The League has not yet determined the effects the adoption of the provisions of FIN 48 will have on the League's financial statements.

Functional Expenses

The basis of expenses charged to each program is on the direct expenditures incurred. The League allocates all program expenditures not directly chargeable to a program based on an estimation of staff members' time spent on each program.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The preparation of financial statements also requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the allowance for doubtful accounts, the unamortized discount on promises to give, the estimated useful lives of property and equipment, the fair market value of investments, the fair market value of donated property and services, and the allocation of expenses by function. It is at least reasonably possible that the estimates used will change within the near term.



**SOUTH CAROLINA COASTAL CONVERSATION LEAGUE, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Reclassifications

Certain amounts in previously issued financial statements have been reclassified in the current-year financial statements. These amounts include the classification of net assets among operating and board designated unrestricted net assets as well as temporarily restricted net assets.

Fair Value Measurements

SFAS No. 157, *Fair Value Measurements* (SFAS 157), was issued in 2006 and defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS 157 was effective for the Organization's financial assets and liabilities for the year ended December 31, 2008. The FASB approved a one-year deferral of the adoption of SFAS 157 as it relates to non-financial assets and liabilities measured at fair value on a nonrecurring basis with the issuance in February 2008 of FASB Staff Position FAS 157-2, *Effective Date of FASB Statement No. 157*, as a result of which implementation by the Company is now required for the year ending December 31, 2009. The partial adoption of SFAS 157 in 2008 had no material impact on financial condition, results of operations or cash flows, but resulted in certain additional disclosures reflected in Note 4. The Organization is in the process of evaluating SFAS 157 as it relates to non-financial assets and liabilities but does not believe it will have a material impact on the financial statements.

Description of programs

Water and Air Quality

The objective of this program is to improve the regulatory process designed to protect water and air quality, and to involve the public in decision-making regarding protection of local water resources and air quality. Achievements preserving water quality include opposing marinas proposed for Outstanding Resource Waters, preventing expansion of a landfill into wetlands, and challenging a highway through the ACE Basin. The League has been working to improve air quality by opposing a proposed coal plant and by fighting for better air quality requirements at the Port of Charleston.

Land Use Planning

This program analyzes community growth patterns, identifies problems and recommends changes to promote environmentally sensitive and economically responsible growth policies used by any community. Achievements include publications of Development Bulletin and fostering community involvement in improving development and transportation policies.

Forestry and Wildlife

The focus of this program is to promote restoration of native forest ecosystems on public and private land where feasible, to restore and maintain native biodiversity in coastal plains, and to promote forest practices that are both economically productive and environmentally healthy. Achievements include changing the direction of the U.S. Forest Service in managing the Francis Marion National Forest and educating the public and land managers on alternative forestry practices.

Education

The function of this program is to educate the public on local environmental issues and offers solutions and positive channels for action to foster economically and environmentally healthy communities. Achievements include national award for our environmental school of the year contest, educational presentations to schools, civic clubs, community organizations and



SOUTH CAROLINA COASTAL CONVERSATION LEAGUE, INC  
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participation on local, state and national boards and committees dealing with environmental issues.

Climate and Energy

The aim of this program is to influence regional, national and international policy through a comprehensive public awareness campaign and educational outreach to promote energy efficiency, energy conservation and alternative fuel sources as the cheapest and most effective solution to the climate and energy crises.

2. Retirement Plan

The League has a profit sharing plan that covers substantially all full-time employees. Six percent of the participants' salaries is the basis for contributions made to the plan in 2008. For 2008, the amount of pension expense was \$80,058, of which \$47,386 was unpaid at December 31, 2008. This profit sharing plan was closed on December 31, 2008. See Note 15.

3. Concentration of Risk

The League places its temporary cash investments with financial institutions. These temporary investments primarily consist of money market accounts, which potentially subject the League to concentration of credit risk for the amounts in excess of federally insured limits. At December 31, 2008 the League's temporary cash investments exceeded federally insured limits by \$291,264. The funds the League is invested in with The Investment Firm for Foundations (TIFF) enter into contracts that provide general indemnifications. TIFF's maximum exposure under these arrangements is dependent on future claims that may be made against the funds and, therefore, cannot be established. At December 31, 2008 the fair market value of investments held by TIFF is \$3,999,188.

Credit risk for promises to give is concentrated as well because substantially all of the balances are receivable from individuals located within the same geographic region. Additionally, approximately \$1,580,000, or 52%, of gross outstanding pledge receivables are from six donors.

4. Fair Value of Financial Instruments and Assets

Statement of Financial Accounting Standards No. 107, *Disclosure about Fair Value of Financial Instruments*, requires disclosure of an estimate of fair value of certain financial instruments. The League's significant financial instruments are cash, equity securities, debt securities, and promises to give. For these financial instruments, carrying values approximate fair value.

The League has adopted the provisions of SFAS 157 in 2008 for its financial assets and liabilities. Although having partially adopted SFAS 157 has had no material impact on financial condition, results of operations or cash flows, the League is now required to provide additional disclosures. SFAS 157 clarifies that fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The League utilizes market data or assumptions that market participants would use in pricing the asset or liability. SFAS 157 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.



**SOUTH CAROLINA COASTAL CONVERSATION LEAGUE, INC**  
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Prices for certain cash equivalents, such as commercial paper and money market mutual funds, and investment securities are readily available in the active markets in which those securities are traded, and the resulting fair values are categorized as Level 1.

There were no changes during the year ended December 31, 2008 to the League's valuation techniques used to measure asset and liability fair values on a recurring basis.

The following table sets forth by level within SFAS 157's fair value hierarchy the League's financial assets accounted for at fair value on a recurring basis as of December 31, 2008. As required by SFAS 157, assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The League's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

The following table sets forth the League's assets at fair value as of December 31, 2008:

	Level 1
Assets:	
Mutual Funds	\$ 3,915,159
U.S. Treasury Notes	84,029
Corporate Stocks	1,996

**5. Investments**

The recording of investments is at their fair market value based upon quoted market prices. The recording of donated securities is at fair value at the date of donation. Therefore, carrying amounts at December 31, 2008 equal fair market value. A summary of investments held by the League is as follows as of December 31 2008:

	Fair Market Value at December 31, 2008		
	Short-term Investments	Long-term Investments	Total Investments
Corporate Stocks	\$ 1,996	\$ -	\$ 1,996
U.S. Treasury Notes	84,029	-	84,029
Mutual Funds	-	3,915,159	3,915,159
Total	\$ 86,025	\$ 3,915,159	\$ 4,001,184

Investment broker fees were \$37,386 for the year ended December 31, 2008. The following schedule summarizes the return on investments:

Interest and dividend income	\$ 249,745
Net realized and unrealized losses	(1,893,250)
Total investment return	\$ (1,643,505)



**SOUTH CAROLINA COASTAL CONVERSATION LEAGUE, INC**  
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The Board of Directors has directed the League to designate the investments for future use. They have set up a system for allowing access to the funds through the Board. Therefore, the investments have been classified as designated in the financial statements. Investment returns classified as operating include interest income on cash accounts, which is not designated for future use by the Board of Directors.

The League reports investment income and gains and losses on investments as increases or decreases in unrestricted net assets unless a donor or law temporarily or permanently restricts their use.

**6. Promises to Give**

The League discounts its outstanding promises receivable between 2.8% and 4.4% to the net present value shown below. The net unamortized discount on promises to give at December 31, 2008 is \$124,400, and the amortization of the discount is reported as a contribution in the statement of activities. The allowance for doubtful accounts is estimated as 7% of outstanding pledges receivable plus any specific balances whose collection appears doubtful by management. Amounts receivable are deemed past due when they are outstanding beyond the terms of the donor's pledge. The League does not accrue interest on past due amounts. Amounts are charged off when they are deemed uncollectible by management.

Net Present Value, Promises to Give – Current	\$ 1,111,642
Allowances for Uncollectible Promises – Current	(84,818)
	\$ 1,026,824
Net Present Value, Promises to Give – Non-current	\$ 1,790,824
Allowances for Uncollectible Promises – Non-current	(199,916)
	\$ 1,590,908

Amounts due over the next five years are as follows:

2009	\$	1,111,642
2010		907,682
2011		655,025
2012		329,347
2013 and beyond		23,170
Total Promises to Give		3,026,866
Less: Unamortized Discount		(124,400)
Total Discounted Promises to Give		2,902,466
Less: Allowance for Uncollectible Promises to Give		(284,734)
Net Promises to Give	\$	2,617,732



**SOUTH CAROLINA COASTAL CONVERSATION LEAGUE, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**7. Property and Equipment**

Major classifications of property and equipment as of December 31, 2008 are summarized below:

Furniture and equipment	\$	224,426
Software		45,364
Furnishings		42,882
Total		312,672
Accumulated depreciation		(211,613)
Net property and equipment	\$	101,059

Depreciation expense for the year ended December 31, 2008 totaled \$33,765.

The League held a promise to give as of December 31, 2007 consisting of a dock, which was recorded at the estimated fair value of \$155,000. The League received the donated property in 2008. During 2008 the property was written down to a fair value of \$115,000. The accompanying loss of \$40,000 was recorded as a reduction in unrestricted net assets in the statement of activities. The property is not used in operations and is included as property held for sale on the statement of financial position as of December 31, 2008.

**8. Line of Credit**

On May 29, 2008 the League signed a loan agreement with the Bank of South Carolina for a line of credit with a maximum principal sum of \$150,000. The note has an interest rate equal to the prime lending rate, and matures on May 30, 2009. There were no draws on the line during the year ended December 31, 2008. See also Note 15.

**9. In-Kind Contributions**

The League received donated legal services with an estimated fair value of \$973,580 in 2008. The donated legal services were used in the land-use, climate and energy, and water and air quality programs.

The League received donated rent with an estimated fair value of \$43,620 in 2008. The donated rent is allocated to all program service expenses and general and administrative expenses.

These in-kind contributions are included in unrestricted contributions and expenses on the Statement of Activities.

**10. Related Party Transactions**

Various board members, employees, their families, and their companies contributed a total of \$92,244, as well as paid a total of \$511,615 on prior years' outstanding promises to give, in cash, stock, and in-kind donations during the year ended December 31, 2008. Promises to give from related parties as of December 31, 2008 totaled \$307,990.

The League paid \$46,430 in legal fees to a law firm in which a member of the Board of Directors is a partner. The League paid \$17,523 to consultants during the year ended December 31, 2008 that were subsequently hired as employees. The League paid \$20,519 to employees and relatives of employees for moving and cleaning services, and the writing and design of a newsletter.



**SOUTH CAROLINA COASTAL CONVERSATION LEAGUE, INC**  
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**11. Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of contributions whose use has been restricted by donors for specific use, and promises to give, net of the allowance for uncollectible accounts, due in future periods.

**12. Leases**

On April 1, 2003, the League entered into an agreement to lease the building at 328 East Bay Street. The duration of the lease extended from April 1, 2003 to March 31, 2004 with the option to renew for up to five years. The lease has been extended to March 31, 2009. The League has agreed to make a nominal rent payment of \$10 per annum. The fair market value of the rent is provided to the League as an in-kind donation, and is included in revenues and expenses on the Statement of Activities.

On May 13, 2008, the League entered into an agreement to lease office space for its Columbia office at 935 Main Street. The duration of the lease extends from July 1, 2008 to June 30, 2009. Subsequent to year end the lease was extended through June 30, 2010. Rent payments for the location are \$525 per month, totaling \$6,300 per annum, and are due on the first of each month.

On July 26, 2006, the League entered into an agreement to lease approximately 2,000 square feet of office space at 90 Alexander Street in the city of Charleston, SC. The duration of the lease extends from August 1, 2006 to July 31, 2009. Rent payment for the first year of the lease is \$1,667 per month, totaling \$20,000 per annum. The second year of the lease, rent payments is \$2,017 per month, totaling \$24,200 per annum. The final year of the lease, rent payments increase to \$2,200 per month, totaling \$26,400. The rent payments are due on the first day of each month.

On April 1, 2008, the League entered into an agreement to lease approximately 675 square feet of office space at 902 North Street in the city of Beaufort, SC. The duration of the lease extends from April 1, 2008 to March 31, 2009. Rent payments for the location are \$750 per month, totaling \$9,000 per annum, and are due on the first day of the month.

On December 5, 2002, the League entered into an agreement to lease office space at 709B Front Street in the city of Georgetown, SC. The duration of the lease extended from January 1, 2003 to December 31, 2003. The lease automatically renews each year on January 1, for a term of one year. Rent payments for the location are \$625 per month, totaling \$7,500 per annum, and are due on the first day of the month.

Rental expense for the year ended December 31, 2008 was \$100,605.

Future minimum lease payments for the next five years are as follows:

2009	\$ 31,450
2010	<u>3,150</u>
Total	<u>\$ 34,600</u>



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**13. Commitments**

During the year ended December 31, 2008, the League contracted with Capital Consulting Group of the Carolinas, LLC for the purpose of following the actions of the South Carolina State Government during the legislative session of the South Carolina General Assembly. The associated fee totals \$45,000 and is payable beginning January 13, 2009 through June 7, 2009.

See also Note 15.

**14. Advertising**

During the year ended December 31, 2008, the League incurred \$1,200 in advertising costs for the sponsorship of a radio interview show focusing on SC environmental issues. All advertising costs during 2008 were expensed as incurred.

**15. Subsequent Events**

On January 1, 2009 the League began sponsoring a 403(b) plan that covers substantially all full-time employees. The previously existing 401(k) plan was terminated and employees subsequently became participants in the 403(b) plan.

On June 10, 2009, the League's \$150,000 line of credit with the Bank of South Carolina was renewed with an interest rate equal to the prime lending rate. The line matures on May 30, 2010.

On July 1, 2009, the League entered into a contract to have its website redesigned. The total contract amount is \$29,760 with half payable at the start of the project, and half payable at the project's completion.

