

**SOUTH CAROLINA
COASTAL CONSERVATION LEAGUE, INC.
CHARLESTON, SOUTH CAROLINA**

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of South Carolina Coastal Conservation League, Inc. (a nonprofit organization) and subsidiary which comprise the consolidated statement of financial position as of December 31, 2012, and the related consolidated statements of activities, cash flows for the year 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

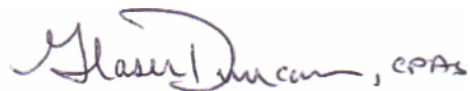
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of South Carolina Coastal Conservation League, Inc. and subsidiary as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information on pages 15 and 16 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

A handwritten signature in blue ink that reads "Glaser Duncan, CPAs". The signature is written in a cursive style.

May 17, 2013

Mount Pleasant, South Carolina

**SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012**

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,085,736
Reimbursement and other receivables	27,558
Donated stock - trading securities	24,457
Promises to give, net of allowance of \$18,419	205,409
Prepaid expenses	30,197
Property held for sale	115,000
Total current assets	1,488,357

Non-current Assets

Cash and cash equivalents, designated for long-term use	119,966
Investments, designated for long-term use	6,891,136
Promises to give, net of allowance of \$20,032	230,356
Property and equipment, net of accumulated depreciation of \$300,873	996,791
Total non-current assets	8,238,249

Total assets	\$ 9,726,606
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 95,884
Employee benefits payable	3,410
Accrued compensated absences	93,018
Total current liabilities	192,312

Non-current Liabilities

Promissory note payable	300,000
Total non-current liabilities	300,000

Total liabilities	492,312
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Net Assets

Unrestricted:	
Operating	1,393,644
Board designated	7,329,381
Total unrestricted net assets	8,723,025

Temporarily restricted net assets	511,269
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Total net assets	9,234,294
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Total liabilities and net assets	\$ 9,726,606
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See accompanying notes to consolidated financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Unrestricted			Temporarily Restricted	Total
	Operating	Designated	Total		
Support and Revenue					
Contributions	\$ 3,471,044	\$ 760	\$ 3,471,804	\$ 344,997	\$ 3,816,801
Grants	822,020	-	822,020	-	822,020
Produce sales, net of cost of sales of \$220,543	54,482	-	54,482	-	54,482
Rents	27,702	-	27,702	-	27,702
Investment return	9,613	850,030	859,643	-	859,643
Other income	19,428	-	19,428	-	19,428
Total support and revenue	4,404,289	850,790	5,255,079	344,997	5,600,076
Net assets released from restriction	137,223	8,795	146,018	(146,018)	-
Total support and revenue and net assets released from restriction	4,541,512	859,585	5,401,097	198,979	5,600,076
Expenses					
Program services:					
Water and air quality	2,845,860	-	2,845,860	-	2,845,860
Land use planning	510,015	-	510,015	-	510,015
Climate and energy	340,293	-	340,293	-	340,293
Public education	125,778	-	125,778	-	125,778
Sustainable agriculture	565,094	-	565,094	-	565,094
Total program services	4,387,040	-	4,387,040	-	4,387,040
Supporting services:					
General and administrative	438,404	-	438,404	-	438,404
Fundraising	522,108	-	522,108	-	522,108
Total supporting services	960,512	-	960,512	-	960,512
Total expenses	5,347,552	-	5,347,552	-	5,347,552
Interfund transfers	512,964	(512,964)	-	-	-
Increase (decrease) in net assets	(293,076)	346,621	53,545	198,979	252,524
Net assets, beginning of year	1,686,720	6,982,760	8,669,480	312,290	8,981,770
Net assets, end of year	\$ 1,393,644	\$ 7,329,381	\$ 8,723,025	\$ 511,269	\$ 9,234,294

See accompanying notes to consolidated financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

Cash Flows from Operating Activities:

Increase in net assets	\$ 252,524
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Net gain on investments	(528,558)
Donated stock	(14,457)
Depreciation	64,061
Change in allowance for doubtful accounts	(49,253)
(Increase) decrease in assets:	
Reimbursements and other receivables	(14,414)
Prepaid expenses	15,814
Promises to give, net	388,201
Increase (decrease) in liabilities:	
Accounts payable	38,148
Employee benefits payable	3,410
Advanced deposits	(3,250)
Accrued compensated absences	(3,809)
Net cash provided by operating activities	148,417

Cash Flows from Investing Activities:

Purchases of investments	(321,472)
Proceeds from sales of investments	396,192
Purchases of property and equipment	(60,903)
Net cash provided by investing activities	13,817

Net increase in cash and cash equivalents 162,234

Cash and cash equivalents, beginning of year 1,043,468

Cash and cash equivalents, end of year \$ 1,205,702

Statement of Financial Position Captions:

Cash and cash equivalents	\$ 1,085,736
Cash and cash equivalents, designated for long-term use	119,966
Total cash and cash equivalents	\$ 1,205,702

See accompanying notes to consolidated financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Supporting Services				
	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Salaries	\$ 968,538	\$ 278,646	\$ 263,849	\$ 542,495	\$ 1,511,033
Employee benefits	215,199	65,137	61,581	126,718	341,917
Professional services	2,652,412	5,539	4,143	9,682	2,662,094
Office expenses	351,488	62,130	69,834	131,964	483,452
Printing and postage	101,027	19,566	66,465	86,031	187,058
Travel	36,073	5,769	4,302	10,071	46,144
Events	39,188	2,884	52,908	55,792	94,980
Depreciation	45,716	9,367	8,978	18,345	64,061
Interest expense	5,052	507	507	1,014	6,066
Change in allowance	(27,653)	(11,141)	(10,459)	(21,600)	(49,253)
Total expenses	\$ 4,387,040	\$ 438,404	\$ 522,108	\$ 960,512	\$ 5,347,552

See accompanying notes to consolidated financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 planning, forestry, wildlife, national issues, and public education. The League's programs are supported primarily by contributions.

Basis of Accounting

The League prepares its consolidated financial statements in accordance with the accrual basis of accounting and accordingly reflects all significant receivables, payables and other liabilities.

Basis of Consolidation

In April of 2010, the League formed a single member limited liability company (LLC) to begin development of a distribution center for locally grown agriculture. The legal name of the entity is CCL Realty, LLC (the "Company") but does business as GrowFood Carolina. CCL Realty, LLC is a wholly owned subsidiary of the League. The accompanying consolidated financial statements include the accounts of the Company. The League provides administrative support that results in some inter-company activity. Further, the League executed a note for the benefit of CCL Realty, LLC associated with start-up costs for its facility in Charleston, South Carolina.

Basis of Presentation

In accordance with ASC 958-205, *Presentation of Financial Statements*, 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, 2012.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the League considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Donated Assets and Services

The League 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 \$2,549,689 during the year ended December 31, 2012. The League has included this amount in both contributions and expenses in the statement of activities for the year ended December 31, 2012.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Donated Assets and Services - Continued

During the year ended December 31, 2008, the League received a donated asset valued at \$155,000. It was determined the value of the asset should be written down to \$115,000 at December 31, 2008. As of December 31, 2012 the estimated fair value of the donated asset remains \$115,000. The asset is classified as property held for sale in the consolidated statement of financial position.

Property and Equipment, and Depreciation

All acquisitions of property and equipment in excess of \$1,000 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.

Functional Expenses

The basis of expenses charged to each program is based 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 consolidated 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 consolidated financial statements. The preparation of consolidated 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 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.

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 fired power plant and by fighting for better air quality requirements at the Port of Charleston.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Description of Programs - continued

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 a Development Bulletin and fostering community involvement in improving development and transportation policies.

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 crisis.

Public Education

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

Sustainable Agriculture

This program will coordinate and network between farmers, producers, chefs and consumers. These efforts will facilitate the process of getting food from the producers to chefs and consumers and will make it easier for all in South Carolina to buy locally with the ultimate goal of preserving the agricultural use of the land and supporting the local economy. The consolidated activities associated with GrowFood Carolina and CCL Realty, LLC are included in this program area.

2. RETIREMENT PLAN

The League has a 403(b) Plan (the “Plan”) to provide retirement and incidental benefits for its employees. Employees may contribute to the Plan, limited to a maximum annual amount as set periodically by the Internal Revenue Service. The League matches employee contributions dollar for dollar up to a maximum of 5% of an employee’s annual compensation. All employees who work greater than 20 hours per week are eligible to participate in the plan immediately. After one year of service, employees are eligible to participate in the match. All participants vest 100% upon participation. The League incurred \$31,374 in matching expenses for the year ended December 31, 2012.

3. CONCENTRATION OF CREDIT RISK

The League places its temporary cash investments with financial institutions. These temporary investments primarily consist of cash and 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, 2012, the League’s temporary cash investments exceeded federally insured limits by \$834,891. The accounts at certain other brokerage firms are insured in accordance with the Securities Investor Protection Corporation (SIPC). The initial \$500,000 of invested funds (including cash account up to \$250,000) is covered by the SIPC. As of December 31, 2012, all of this amount was covered by the SIPC. As these are investments, the insurance is not for losses due to market fluctuations. 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. Approximately 80% of the total balance of pledges receivable is due from four donors.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

4. FAIR VALUE MEASUREMENTS AND INVESTMENTS

The League measures fair value using a three-level hierarchy for fair value measurements. The fair value measurement accounting standard applies to reported balances that are required or permitted to be measured at fair value under existing accounting pronouncements. These standards emphasize that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the assets or liabilities and establishes a fair value hierarchy.

Financial assets recorded on the statement of financial position are categorized based on the inputs of the valuation techniques as follows:

LEVEL 1

Financial assets whose values are based on the unadjusted quoted prices for identical assets in an active market that the League has the ability to access.

LEVEL 2

Financial assets whose values are based on quoted prices in markets that are not active that are observable either directly or indirectly for substantially the full term of the asset. Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in non-active markets;
- Pricing models whose inputs are observable for substantially the full term of the asset or liability; and
- Pricing models whose inputs are derived principally from or corroborated by unobservable market data through correlation or other means for substantially the full term of the asset or liabilities.

LEVEL 3

Financial assets whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions about pricing the asset.

The leagues investments are primarily comprised of two funds held with The Investment Fund for Foundations (TIFF). TIFF is a cooperative-style investment organization founded by a nationwide network of foundations and is not traded on any public exchanges.

The league uses fair value measurements to record fair value adjustments to certain investments and to determine fair value disclosures. Assets measured at fair value on a recurring basis at December 31, 2012:

<u>Description</u>	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Other Unobservable Inputs
Trading Securities	\$ 24,457	\$ -	\$ -
Mutual Fund - Short-term Fund	-	263,186	-
Mutual Fund - Multi-Asset Fund	-	6,627,950	-
	<u>\$ 24,457</u>	<u>\$ 6,891,136</u>	<u>\$ -</u>

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

4. FAIR VALUE MEASUREMENTS AND INVESTMENTS - Continued

ASC 820, *Fair Value Measurements and Disclosures*, clarifies the fair value level classification for investments that calculate net asset value per share. The guidance states that if a reporting entity has the ability to redeem its investments with the investee at net asset value per share at the measurement date, the fair value measurement of the investment shall be categorized as a Level 2 fair value measurement.

Investments that calculate fair value based upon net asset value per share are as follows at December 31, 2012:

	<u>Net Asset Value</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Mutual Fund - Short-term Fund	\$ 263,186	Daily	Daily
Mutual Fund - Multi-Asset Fund	\$ 6,627,950	Daily	Daily

The following schedule summarizes the return on investments for the year ended December 31, 2012:

Interest and dividend income	\$ 321,504
Net realized and unrealized gains	<u>538,139</u>
Total investment return	<u>\$ 859,643</u>

The Board of Directors has directed the League to designate a portion of the investments for future use. The Board has set up a system for allowing access to the funds through the Board. Therefore, that portion designated by the Board for future use has been classified as designated in the consolidated 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.

5. CASH DESIGNATED AND TEMPORARILY RESTRICTED FOR LONG-TERM USE

At December 31, 2012, non-current assets included restricted cash and cash designated for long-term use. Cash designated for long-term use was set aside by the board of directors for future operation purposes. Each year, the board determines an amount to be used for operations, and adjusts the balance through interfund transfers.

6. PROMISES TO GIVE

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Discount rates ranged from .28% to 4.43% for 2012. The net unamortized discount on promises to give at December 31, 2012 is \$18,897, and the amortization of the discount is reported as contributions in the consolidated statement of activities. The allowance for doubtful accounts is estimated as 8% 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. Amounts that are over 90 days past due total \$11,133 as of December 31, 2012.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

6. PROMISES TO GIVE - Continued

The following is a summary of promises to give and the allowance as of December 31, 2012:

Net Present Value, Promises to Give - Current	\$ 223,828
Allowances for Uncollectible Promises - Current	<u>(18,419)</u>
Net promises to give, current	<u>\$ 205,409</u>
Net Present Value, Promises to Give - Non-current	\$ 250,388
Allowances for Uncollectible Promises - Non-current	<u>(20,032)</u>
Net promises to give, non-current	<u>\$ 230,356</u>

Amounts due over the next five years at December 31, 2012 are as follows:

2013	\$ 223,828
2014	110,485
2015	34,400
2016	34,400
2017	30,000
2018 and beyond	<u>60,000</u>
Total Promises to Give	493,113
Less: Unamortized Discount	<u>(18,897)</u>
Total Discounted Promises to Give	474,216
Less: Allowance for Uncollectible Promises to Give	<u>(38,451)</u>
Net promises to give	<u>\$ 435,765</u>

7. PROPERTY AND EQUIPMENT

Major classifications of property and equipment as of December 31, 2012 are summarized below:

Buildings	\$ 802,493
Vehicles	50,668
Furniture and equipment	324,097
Software	77,524
Furnishings	<u>42,882</u>
Total	1,297,664
Accumulated depreciation	<u>(300,873)</u>
Net property and equipment	<u>\$ 996,791</u>

Depreciation expense for the year ended December 31, 2012 totaled \$64,061.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

8. PROMISSORY NOTE PAYABLE

On June 1, 2011, the League signed a \$300,000 note with the Coastal Community Foundation of South Carolina. The note requires interest only payments monthly at 1.5%. Principal payments of \$50,000 are due on June 30, 2014 and 2015, with all unpaid principal and interest due on June 30, 2016 (maturity date of the note). The note is unsecured.

9. IN-KIND CONTRIBUTIONS

The League received donated legal services with an estimated fair value of \$2,549,689 in 2012. The donated legal services were used in the land-use, water and air quality programs, and climate and energy.

The League received donated rent with an estimated fair value of \$43,620 in 2012. 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 consolidated statement of activities.

10. RELATED PARTY TRANSACTIONS

Various board members, employees, their families and companies contributed a total of \$121,754 during the year ended December 31, 2012. Promises to give from related parties as of December 31, 2012 totaled \$8,161.

The League paid \$11,896 to the spouse of an employee for the writing and design of the League's newsletter for the year ended December 31, 2012. The League paid \$5,375 in consulting fees to a family member of an employee for the year ended December 31, 2012.

11. 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. Currently, the lease continues on a month to month basis. 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 consolidated statement of activities.

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, South Carolina. The duration of the lease extended from August 1, 2006 to July 31, 2009. Upon expiration, the League verbally agreed in 2009 to extend the lease for three additional years, with a rent payment of \$2,000 per month, totaling \$24,000 per annum. The rent payments are due on the first day of each month and the verbal lease agreement expired July 31, 2012. The League did not extend this lease.

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, South Carolina. The duration of the lease extended from April 1, 2008 to March 31, 2009. The League continues to lease this space on a month to month basis. 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, South Carolina. 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.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

11. LEASES – Continued

In September 2010 the League entered into an agreement to lease approximately 2,400 square feet of office space at 1001 Washington Street in the City of Columbia, South Carolina. The duration of the lease extends from September 1, 2010 to August 31, 2013. Upon expiration, the agreement provides for optional one year extension of the original agreement. Rent payments total \$2,000 monthly for a total of \$24,000 annually. The rent payments are due on the first day of each month.

Minimum future rent payments under noncancellable leases are as follows at December 31, 2012:

2013	\$ 16,000
Thereafter	<u>-</u>
Total	<u><u>\$ 16,000</u></u>

Rental expense for the year ended December 31, 2012 was \$78,290.

12. ADVERTISING

During the year ended December 31, 2012, the League incurred \$36,559 in advertising costs. This advertising included radio and newspaper spots advertising public meetings and transportation reform. All advertising costs during 2012 were expensed as incurred.

13. SUBSEQUENT EVENTS

In accordance with ASC 855, the League evaluated subsequent events through May 17, 2013, the date these consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these consolidated financial statements.

SUPPLEMENTAL INFORMATION

**CCL REALTY, LLC
BALANCE SHEET
DECEMBER 31, 2012**

ASSETS

Current Assets

Cash and cash equivalents	\$ 136,714
Accounts receivable	13,790
Promises to give, net of \$10,832 allowance for doubtful accounts	124,568
Prepaid expenses	5,179
Total current assets	<u>280,251</u>

Non-current Assets

Promises to give, net of \$1,130 allowance for doubtful accounts	\$12,994
Property and equipment, net of accumulated depreciation of \$6,725	884,945
Total non-current assets	<u>897,939</u>

Total assets	<u>\$ 1,178,190</u>
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LIABILITIES AND MEMBER'S EQUITY

Current Liabilities

Accounts payable	\$ 18,919
Due to related party	92,303
Total liabilities	<u>111,222</u>

Non-current Liabilities:

Due to related party - promissory note payable	<u>300,000</u>
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Total Liabilities	411,222
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Member's Equity

	<u>766,968</u>
Total liabilities and member's equity	<u>\$ 1,178,190</u>

See independent auditors' report

CCL REALTY, LLC
INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012

Revenue

Contributions	\$ 203,013
Grants	270,888
Produce sales, net of consigned cost of \$220,543	54,482
Rent income	27,702
Event revenue	2,485
Total revenue	<u>558,570</u>

Operating expenses

Salaries and benefits	197,785
Professional fees	11,152
Office expense	72,705
Occupancy	60,169
Interest	6,066
Miscellaneous	28,337
Total expenses	<u>376,214</u>

Net Income	<u>\$ 182,356</u>
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See independent auditors' report