

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

**AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of South Carolina Coastal Conservation League, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and June 30, 2020 (consolidated), and the related statements of activities, functional expenses and cash flows for the years ended June 30, 2021 and 2020 (consolidated), and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Carolina Coastal Conservation League, Inc. and subsidiary as of June 30, 2021 and 2020 (consolidated), and the changes in its net assets and its cash flows for the years ended June 30, 2021 and 2020 (consolidated), in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, CCL Realty, LLC, a wholly owned subsidiary of the South Carolina Coastal Conservation League, Inc. was dissolved and its operations included as an operating unit of the organization.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules on pages 23 and 24 are presented for purposes of an additional analysis and are not a required part of the 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 audits 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.

Glaser and Company, LLC

November 5, 2021
Charleston, South Carolina

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND JUNE 30, 2020 (CONSOLIDATED)

	2021	2020
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 903,358	\$ 950,146
Reimbursement and other receivables	151,264	178,620
Unconditional promises to give and grants receivable, net of allowance of \$16,708 for 2021 and \$31,326 for 2020	472,169	678,019
Inventory and prepaid expenses	168,136	119,600
Property held for sale	-	22,500
Total current assets	1,694,927	1,948,885
Non-Current Assets		
Investments, designated for long-term use	18,199,680	12,876,810
Unconditional promises to give, net of allowance of \$71,891 for 2021 and \$76,679 for 2020	1,386,953	1,416,271
Property and equipment, net	530,113	1,234,998
Total non-current assets	20,116,746	15,528,079
Total assets	\$ 21,811,673	\$ 17,476,964
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 165,162	\$ 101,605
Accrued salary and employee benefits payable	177,270	137,878
Accrued interest	-	1,043
Promissory note payable, current portion	5,010	9,745
Accrued compensated absences	191,754	191,648
Deferred lease liability	17,266	11,261
Grants payable	51,500	76,513
Paycheck protection program note	-	504,533
Total current liabilities	607,962	1,034,226
Non-Current Liabilities		
Promissory note payable, net of current portion	-	5,006
Total non-current liabilities	-	5,006
Total liabilities	607,962	1,039,232
Net Assets		
Without donor-imposed restrictions:		
Undesignated	3,389,287	1,156,715
Board designated	15,714,879	12,803,025
Total net assets without donor-imposed restrictions	19,104,166	13,959,740
With donor-imposed restrictions	2,099,545	2,477,992
Total net assets	21,203,711	16,437,732
Total liabilities and net assets	\$ 21,811,673	\$ 17,476,964

See accompanying notes to financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor-Imposed Restrictions			With Donor-Imposed Restrictions	Total
	Undesignated	Board Designated	Total		
Support and Revenue					
Contributions	\$ 4,729,807	\$ -	\$ 4,729,807	\$ 5,765	\$ 4,735,572
Grants	718,659	-	718,659	163,059	881,718
Federal financial assistance - PPP	504,533	-	504,533	-	504,533
Food sales, net	311,170	-	311,170	-	311,170
Rents	54,586	-	54,586	-	54,586
Investment return, net of fees	(3,336)	3,406,399	3,403,063	-	3,403,063
Other income	85,106	-	85,106	-	85,106
Gain on sale of real property, net	1,707,712	-	1,707,712	-	1,707,712
Total support and revenue	8,108,237	3,406,399	11,514,636	168,824	11,683,460
Net assets released from restriction	547,271	-	547,271	(547,271)	-
Total support and revenue and net assets released from restriction	8,655,508	3,406,399	12,061,907	(378,447)	11,683,460
Expenses					
Program services:					
Land, water and wildlife	2,196,375	-	2,196,375	-	2,196,375
Communities and transportation	1,249,902	-	1,249,902	-	1,249,902
Energy and climate	559,548	-	559,548	-	559,548
Food and agriculture	1,461,836	-	1,461,836	-	1,461,836
Total program services	5,467,661	-	5,467,661	-	5,467,661
Supporting services:					
General and administrative	633,209	-	633,209	-	633,209
Fundraising	816,611	-	816,611	-	816,611
Total supporting services	1,449,820	-	1,449,820	-	1,449,820
Total expenses	6,917,481	-	6,917,481	-	6,917,481
Interfund transfers	494,545	(494,545)	-	-	-
Increase (decrease) in net assets	2,232,572	2,911,854	5,144,426	(378,447)	4,765,979
Net assets, beginning of year	1,156,715	12,803,025	13,959,740	2,477,992	16,437,732
Net assets, end of year	\$ 3,389,287	\$ 15,714,879	\$ 19,104,166	\$ 2,099,545	\$ 21,203,711

See accompanying notes to financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR YEAR ENDED JUNE 30, 2020

	Without Donor-Imposed Restrictions			With Donor-Imposed Restrictions	Total
	Undesignated	Board Designated	Total		
Support and Revenue					
Contributions	\$ 4,222,788	\$ -	\$ 4,222,788	\$ 136,544	\$ 4,359,332
Grants	885,793	-	885,793	-	885,793
Food sales	285,217	-	285,217	-	285,217
Rents	52,369	-	52,369	-	52,369
Investment return, net of fees	(3,945)	655,699	651,754	-	651,754
Other income	79,676	-	79,676	-	79,676
Loss on impairment of assets	(134,000)	-	(134,000)	-	(134,000)
Total support and revenue	5,387,898	655,699	6,043,597	136,544	6,180,141
Net assets released from restriction	436,394	-	436,394	(436,394)	-
Total support and revenue and net assets released from restriction	5,824,292	655,699	6,479,991	(299,850)	6,180,141
Expenses					
Program services:					
Land, water and wildlife	1,505,396	-	1,505,396	-	1,505,396
Communities and transportation	1,161,337	-	1,161,337	-	1,161,337
Energy and climate	862,542	-	862,542	-	862,542
Food and agriculture	1,454,161	-	1,454,161	-	1,454,161
Total program services	4,983,436	-	4,983,436	-	4,983,436
Supporting services:					
General and administrative	566,576	-	566,576	-	566,576
Fundraising	591,769	-	591,769	-	591,769
Total supporting services	1,158,345	-	1,158,345	-	1,158,345
Total expenses	6,141,781	-	6,141,781	-	6,141,781
Interfund transfers	790,669	(790,669)	-	-	-
Increase (decrease) in net assets	473,180	(134,970)	338,210	(299,850)	38,360
Net assets, beginning of year	683,535	12,937,995	13,621,530	2,777,842	16,399,372
Net assets, end of year	\$ 1,156,715	\$ 12,803,025	\$ 13,959,740	\$ 2,477,992	\$ 16,437,732

See accompanying notes to consolidated financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Supporting Services				
	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Salaries	\$ 1,782,909	\$ 361,209	\$ 493,556	\$ 854,765	\$ 2,637,674
Benefits and taxes	430,845	79,025	109,351	188,376	619,221
Other	28,901	28,611	21,284	49,895	78,796
	<u>2,242,655</u>	<u>468,845</u>	<u>624,191</u>	<u>1,093,036</u>	<u>3,335,691</u>
Legal	2,075,983	-	-	-	2,075,983
Accounting	-	26,014	-	26,014	26,014
Contract projects	398,444	56,868	27,662	84,530	482,974
Media development	18,696	-	2,614	2,614	21,310
Information technology	23,237	3,140	5,807	8,947	32,184
Furniture and equipment (non-cap)	4,372	88	115	203	4,575
Occupancy	279,293	54,907	69,385	124,292	403,585
Printing, postage and mailings	28,277	1,202	29,334	30,536	58,813
Supplies	167,931	1,227	824	2,051	169,982
Travel and meals	104,093	2,733	3,967	6,700	110,793
Fees and dues	43,607	26,517	28,240	54,757	98,364
Events and programs	9,135	565	2,179	2,744	11,879
Depreciation	39,034	7,703	12,051	19,754	58,788
Bad debts	-	(18,834)	-	(18,834)	(18,834)
Cost of sales - book	13,180	-	174	174	13,354
Grants and support	22,469	-	-	-	22,469
Interest	-	(1,043)	-	(1,043)	(1,043)
Miscellaneous	(2,745)	3,277	10,068	13,345	10,600
	<u>(2,745)</u>	<u>3,277</u>	<u>10,068</u>	<u>13,345</u>	<u>10,600</u>
Total expenses	<u>\$ 5,467,661</u>	<u>\$ 633,209</u>	<u>\$ 816,611</u>	<u>\$ 1,449,820</u>	<u>\$ 6,917,481</u>

See accompanying notes to consolidated financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Supporting Services				Total
	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Salaries	\$ 1,835,322	\$ 264,981	\$ 316,028	\$ 581,009	\$ 2,416,331
Benefits and taxes	448,777	67,152	71,809	138,961	587,738
Other	54,165	11,925	12,438	24,363	78,528
	<u>2,338,264</u>	<u>344,058</u>	<u>400,275</u>	<u>744,333</u>	<u>3,082,597</u>
Legal	1,498,216	5,110	-	5,110	1,503,326
Accounting	-	24,795	-	24,795	24,795
Contract projects	260,585	14,385	35,307	49,692	310,277
Media development	25,394	1,498	5,427	6,925	32,319
Information technology	95,342	21,237	18,868	40,105	135,447
Furniture and equipment (non-cap)	12,636	3,528	2,861	6,389	19,025
Occupancy	284,945	44,004	47,597	91,601	376,546
Printing, postage and mailings	26,514	718	19,384	20,102	46,616
Supplies	84,125	3,026	2,199	5,225	89,350
Travel and meals	108,342	3,393	4,759	8,152	116,494
Fees and dues	46,679	8,081	21,726	29,807	76,486
Events and programs	57,290	6,720	19,785	26,505	83,795
Depreciation	110,951	7,295	7,588	14,883	125,834
Bad debts	-	75,443	-	75,443	75,443
Cost of sales - book	7,696	1,314	1,367	2,681	10,377
Grants and support	15,525	-	-	-	15,525
Interest	2,051	1,571	493	2,064	4,115
Miscellaneous	8,881	400	4,133	4,533	13,414
	<u>4,983,436</u>	<u>566,576</u>	<u>591,769</u>	<u>1,158,345</u>	<u>6,141,781</u>
Total expenses	<u>\$ 4,983,436</u>	<u>\$ 566,576</u>	<u>\$ 591,769</u>	<u>\$ 1,158,345</u>	<u>\$ 6,141,781</u>

See accompanying notes to consolidated financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020 (CONSOLIDATED)

	2021	2020
Cash Flows from Operating Activities:		
Increase in net assets	\$ 4,765,979	\$ 38,360
Adjustments to reconcile increase in net assets to net cash used for operating activities:		
Net realized and unrealized gains on investments	(3,218,153)	(564,163)
Depreciation	58,788	125,834
Change in allowance for doubtful accounts	(18,834)	75,443
Change in discount on unconditional promises to give	(46,611)	16,278
Gain on sale of real property, net	(1,703,712)	-
Federal financial assistance - PPP forgiveness	(504,533)	-
Impairment in value of property held for sale	-	64,000
Loss on disposal of fixed assets	-	70,000
(Increase) decrease in assets:		
Reimbursements and other receivables	27,356	(16,412)
Unconditional promises to give and grants receivable	300,613	(118,782)
Inventory and prepaid expenses	(48,536)	33,315
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	63,557	(58,343)
Accrued salary and employee benefits payable	39,392	45,455
Accrued interest	(1,043)	1,043
Accrued compensated absences	106	46,150
Deferred lease liability	6,005	5,103
Grants payable	(25,013)	(202,683)
Net cash used for operating activities	(304,639)	(439,402)
Cash Flows used in Investing Activities:		
Purchases of investments	(4,769,372)	(4,938,492)
Proceeds from sales of investments	2,664,655	5,563,840
Proceeds from sale of real property	2,387,546	-
Purchases of property and equipment	(15,237)	(13,116)
Net cash provided by investing activities	267,592	612,232
Cash Flows from Financing Activities:		
(Payments) proceeds from line of credit, net	-	(200,000)
Payments on notes payable	(9,741)	(9,183)
Proceeds from Paycheck Protection Program note	-	504,533
Net cash (used for) provided by financing activities	(9,741)	295,350
Net (decrease) increase in cash and cash equivalents	(46,788)	468,180
Cash and cash equivalents, beginning of year	950,146	481,966
Cash and cash equivalents, end of year	\$ 903,358	\$ 950,146

See accompanying notes to financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The South Carolina Coastal Conservation League, Inc. (the “Conservation League”) was incorporated on March 12, 1989 as a nonprofit organization under the laws of the State of South Carolina. The primary purpose of the Conservation League is to identify, study, analyze, and research environmental issues and policies affecting the coastal area of South Carolina, as well as to provide public education. The Conservation League has identified four major areas of emphasis: 1) land, water and wildlife, 2) communities and transportation, 3) energy and climate, and 4) food and agriculture. The Conservation League’s programs are supported primarily by contributions.

Basis of Accounting

The Conservation League prepares its financial statements in accordance with the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Consolidation

In April of 2010, the Conservation 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 was CCL Realty, LLC (the “Company”) but did business as GrowFood Carolina. The Company was a wholly owned subsidiary of the Conservation League until it was legally dissolved on June 6, 2021. The accompanying financial statements include the accounts of the Company through its dissolution, after which it became an operating division of the Conservation League and reported within this structure. There were no changes in operations, mission or activities for GrowFood Carolina as a result of this corporate dissolution.

Basis of Presentation

Financial statement presentation follows the recommendations of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Section 210, *Not-for-Profit Entities, Balance Sheet*. Under ASC 958, Section 210, *Not-for-Profit Entities, Balance Sheet*, the Conservation League is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor-imposed restrictions and net assets with donor-imposed restrictions.

Cash and Cash Equivalents

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

Donated Assets and Services

The Conservation League records the value of donated goods or services when there is an objective basis available to measure their values. The Conservation League reflects donated materials and equipment as contributions in the accompanying statements of activities at their estimated fair values at the date of receipt. The Conservation League received professional services valued at \$1,981,504 and \$1,424,911, during the years ended June 30, 2021 and 2020, respectively. The Conservation League has included these amounts in both contributions and expenses in the statements of activities for the years ended June 30, 2021 and 2020.

Property Held for Sale

During 2015, the Conservation League received a parcel of land from a donor with a fair market value of \$86,500 and subsequently adjusted down to \$22,500 based upon assessed fair value. The Conservation League actively listed this property and sold on March 26, 2021 for \$18,500. The Conservation League received \$16,672 after costs and commissions, and the loss on sale is presented as gain on sale, net, in the statement of activities for the year ended June 30, 2021.

**SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Property and Equipment, and Depreciation

All acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line basis over the appropriate estimated useful life. The estimated lives used in determining depreciation are:

Building and improvements	40 years
Vehicles	5 - 10 years
Furniture and equipment	5 - 10 years
Software	3 - 7 years
Leasehold improvement	15 years

Contributions and Grants

Unconditional promises to give are recorded as contributions in the year pledges are made. Contributions for support of current operations are included in the statements of activities as without donor-imposed restrictions, while pledges for support of future operations are reported as increases in net assets with donor-imposed restrictions until the stipulation expires. Contributions are released from restriction as the nature of the restriction changes, or restrictions are satisfied. Contributions received with donor-imposed restrictions that are met in the same reporting period are reported as support and increases in net assets without donor-imposed restrictions.

Income Taxes

The Conservation 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 financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The key expenses that are allocated and the method of allocation include:

<u>Expense Type</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Legal	Direct costs to programs and supporting services
Contract projects	Direct costs to programs and supporting services
Occupancy	Direct costs to programs and supporting services/square footage
Printing, postage and mailings	Direct costs to programs and supporting services
Travel and meals	Direct costs to programs and supporting services
Fees and dues	Direct costs to programs and supporting services
Depreciation	Direct costs to programs and supporting services/square footage

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 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 CONSERVATION LEAGUE, INC. AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Description of Programs

Land, Water and Wildlife

The objective of this program is to advocate for natural resource conservation to further our mission of protecting clean and abundant water, natural habitats, and the health of people and wildlife. The Conservation League accomplishes this goal by ensuring public policies are adequate and properly implemented to protect water quality and quantity, wildlife habitat, and valuable landscapes and communicating to a broad audience about how to get involved in decisions affecting these coastal assets.

Examples of priority projects include:

- Fighting massive water withdrawals and reforming the laws and regulations that allow them to occur;
- Protecting beaches such as Captain Sam’s Spit and Bay Point Island from irresponsible development;
- Preventing plastic pellet pollution (“nurdles”) and passing local and state laws to hold polluters responsible;
- Opposing Clean Water Rule rollbacks;
- Protecting our shoreline and marine habitats - such as oyster beds and saltmarsh;
- Restoring and protecting wildlife habitat in places such as Crab Bank and Deveaux Bank and advocating for strengthening enforcement and regulations; and
- Advocating for resilient coastlines and prioritized land conservation that will help with marsh migration and carbon sequestration.

Communities and Transportation

The objective of this program is to advocate for land conservation and quality of life in South Carolina coastal communities by advocating for sustainable urban growth patterns, efficient and clean transportation systems, and permanent land protection where appropriate. The Conservation League provides technical and professional assistance to local residents to help preserve their land and communities, advocates for good land use policies, and provides community organizing expertise.

Examples of priority projects include:

- Advocating for public transportation and mobility solutions like the Lowcountry Rapid Transit project;
- Advocating against highways, such as I-526, I-73, and Highway 41, that contribute to suburban sprawl and disproportionately impact minority communities;
- Advancing local and state resilience policies that minimize development in low-lying areas and prioritize the use of natural green infrastructure for coastal protection;
- Advancing conservation funding in counties and at the state level;
- Ensuring that wetland fill is avoided, and when necessary, adequately mitigated through land protection and restoration; and
- Working through local land use planning to establish strong urban growth and urban service boundaries (especially in Berkeley County, Johns Island, and Horry County).

Energy

The objective of this program is to advocate for clean energy as components of a healthy ecosystem and quality of life, through policy reform, public awareness campaigns, and educational outreach. The Conservation League promotes energy efficiency, energy conservation, retirement of fossil fueled energy equipment, and renewable energy as the cheapest and most effective solutions to the climate, health, and social justice crises associated with our current energy system.

Examples of priority projects include:

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- Creating and implementing regulatory processes that ensure fair consideration of clean energy in the planning and operation of the electricity and natural gas supply, transmission, and distribution systems;
- Establishing regulatory and financial mechanisms to promote implementation of energy efficient technologies;
- Reducing carbon emissions from dirty fuel sources, like coal and other fossil fuels, through advocacy and state policy reform;
- Reducing single occupancy cars on the road and electrifying transportation;
- Promoting market-based procurement processes that can speed the transition to cleaner energy systems; and
- Preventing offshore oil and gas exploration and drilling

Food and Agriculture

Rural lands are being converted to urban uses every day. Farmland has been hit hardest by this change, which represents an ecological, economic, cultural and public health crisis for South Carolinians. This challenge was the impetus for the creation of GrowFood Carolina in 2011.

GrowFood Carolina supports small and mid-sized South Carolina farmers by marketing, promoting, and selling their produce across the coast, but primarily to restaurants in the Charleston area. Since opening in 2011, GrowFood has sold over \$11 million of local products, facilitating more than \$9 million of revenue back to South Carolina's small and mid-sized farmers over the last nine years. Today, GrowFood Carolina works with more than 120 growers producing on more than 6,000 acres throughout South Carolina. GrowFood Carolina markets more than 400 items including fresh fruits, vegetables, nuts, grains, dairy, honey, eggs and salt to major retail chains, more than 400 restaurants, and a growing number of institutions and corporate campuses.

In March 2020, when the pandemic hit South Carolina, restaurant sales plummeted to nearly zero. That meant that local farmers who had planted fields full of fresh vegetables to sell to GrowFood Carolina and to other retailers no longer had enough buyers to sustain their farm businesses. GrowFood Carolina, under the direction of its General Manager quickly pivoted to create and sell boxes of food directly to Charleston-area families, while applying for newly available funding from USDA and SCDA to give similar boxes to families in need. Through food box sales and partnerships with nonprofits Enough Pie, Humanities Foundation, and the Lowcountry Food Bank, more than 300,000 pounds of produce have been donated to families in need. These programs helped our farmers stay in business.

GrowFood Carolina is uniquely positioned and prepared to continue to serve people in need-work we feel is necessary to sustain resilient coastal communities. With support from generous donors, the “Soil to Sustenance” program has been created to help provide more than 20,000 boxes of SC-grown produce to families in need annually, during the pandemic and for as long as community need persists.

Risks and Uncertainties

The COVID-19 pandemic has adversely affected, and may continue to adversely affect economic activity globally, nationally and locally. It is unknown the extent and duration to which COVID-19 may spread, may have a destabilizing effect on financial and economic activity and may increasingly have the potential to negatively impact the Conservation League’s costs, demand for some sustainable agriculture’s services, donor support and the U.S. economy. Furthermore, there is a possibility of closure by government or state order for a period of time in response to COVID-19. The full impact on the operational and financial activity cannot be estimated at this time.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2016-02, *Leases (Subtopic 842)*, which will require entities to recognize lease assets and lease liabilities on the balance sheet and disclose key information about the leasing arrangements. For non-profit organizations, this standard is effective for annual reporting periods beginning after December 15, 2021, and early adoption is permitted. The Conservation League is currently evaluating the impact of this standard.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Conservation League's net assets or changes in net assets.

2. RETIREMENT PLAN

The Conservation 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 Conservation League matches employee contributions dollar for dollar up to a maximum of 6% of an employee’s annual compensation. All regular employees who work greater than 20 hours per week are eligible to participate in the plan and the match is effective on the first day of employment. Participants are 50% vested at the end of one year of employment and 100% vested after two years of employment. The Conservation League incurred \$149,473 and \$143,567 in matching expenses for the years ended June 30, 2021 and 2020, respectively.

3. CONCENTRATION OF CREDIT RISK

The Conservation League places its temporary cash investments with financial institutions. These temporary investments primarily consist of cash and money market accounts, which potentially subject the Conservation League to concentration of credit risk for the amounts in excess of federally insured limits. At June 30, 2021, the Conservation League’s temporary cash investments exceeded federally insured limits by \$500,127.

Credit risk for promises to give is concentrated with a few significant donors. Approximately 83% and 69% of the total gross balance of unconditional promises to give are due from five donors at June 30, 2021 and 2020, respectively.

4. FAIR VALUE MEASUREMENTS AND INVESTMENTS

The Conservation 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 consolidated 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 Conservation 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:

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

4. FAIR VALUE MEASUREMENTS AND INVESTMENTS – Continued

- 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.

Assets measured at fair value on a recurring basis at:

June 30, 2021				
Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Other Unobservable Inputs	Total
Cash and money markets	\$ 497,326	\$ -	\$ -	\$ 497,326
United States Treasury Notes	1,833,396	-	-	1,833,396
Government bonds - Foreign	557,215	-	-	557,215
Corporate bonds	3,336,435	-	-	3,336,435
Equities - US	11,597,498	-	-	11,597,498
Equities - Foreign	377,810	-	-	377,810
	\$ 18,199,680	\$ -	\$ -	\$ 18,199,680

June 30, 2020				
Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Other Unobservable Inputs	Total
Cash and money markets	\$ 126,711	\$ -	\$ -	\$ 126,711
United States Treasury Notes	1,556,462	-	-	1,556,462
Government bonds - Foreign	477,171	-	-	477,171
Corporate bonds	1,633,203	-	-	1,633,203
Equities - US	8,863,978	-	-	8,863,978
Equities - Foreign	219,285	-	-	219,285
	\$ 12,876,810	\$ -	\$ -	\$ 12,876,810

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

4. FAIR VALUE MEASUREMENTS AND INVESTMENTS – Continued

The following schedule summarizes the return on investments for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Dividend, interest and net realized gains and losses	\$ 187,521	\$ 68,623
Investment expenses	(108,527)	(101,668)
Net unrealized gains	<u>3,324,069</u>	<u>684,799</u>
Total investment return, net	<u>\$ 3,403,063</u>	<u>\$ 651,754</u>

The Board of Directors (the “Board”) has directed the Conservation League to designate the investments for future use. Funds designated by the Board for future use 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. The Conservation League reports investment income and gains and losses on investments as increases or decreases in net assets without donor-imposed restrictions unless a donor or law temporarily or permanently restricts their use.

5. UNCONDITIONAL PROMISES TO GIVE AND GRANTS RECEIVABLE

Unconditional promises to give and grants receivable 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 used to estimate future cash flows ranged from 1.01% to 3.17% at June 30, 2021. The net unamortized discount on promises to give at June 30, 2021 and 2020 is \$94,037 and \$140,648, respectively, and the amortization of the discount is reported as contributions in the statements of activities. The allowance for doubtful accounts is estimated based on historical data as 5% 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 Conservation 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 \$17,000 and \$62,500 at June 30, 2021 and 2020, respectively.

The following is a summary of unconditional promises to give, grants receivable and the allowance at:

	<u>2021</u>	<u>2020</u>
Net present value - current	\$ 488,877	\$ 709,345
Allowances for uncollectible amounts - current	<u>(16,708)</u>	<u>(31,326)</u>
Total net, current	<u>472,169</u>	<u>678,019</u>
Net present value - non-current	1,458,844	1,492,950
Allowances for uncollectible amounts - non-current	<u>(71,891)</u>	<u>(76,679)</u>
Total net, non-current	<u>1,386,953</u>	<u>1,416,271</u>
Total	<u>\$ 1,859,122</u>	<u>\$ 2,094,290</u>

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

5. UNCONDITIONAL PROMISES TO GIVE AND GRANTS RECEIVABLE - Continued

Amounts due over the next five years at June 30, 2021 are as follows:

2022	\$ 488,877
2023	462,237
2024	330,644
2025	240,000
2026	110,000
Thereafter	<u>410,000</u>
Total promises to give	2,041,758
Less: unamortized discount	<u>(94,037)</u>
Total discounted promises to give	1,947,721
Less: allowance for uncollectible promises to give	<u>(88,599)</u>
Net promises to give	<u><u>\$ 1,859,122</u></u>

6. IN-KIND CONTRIBUTIONS

The Conservation League received donated professional services with an estimated fair value of \$1,981,504 and \$1,424,911 for the years ended June 30, 2021 and 2020, respectively. The donated legal and professional services were primarily used in the land, water and wildlife programs.

7. PROPERTY AND EQUIPMENT

Major classifications of property and equipment are summarized below at June 30:

	<u>2021</u>	<u>2020</u>
Buildings and land	\$ -	\$ 886,166
Vehicles	200,525	189,289
Furniture and equipment	284,273	284,273
Furnishings	94,029	94,029
Leasehold improvements	<u>369,705</u>	<u>369,705</u>
Total	948,532	1,823,462
Accumulated depreciation	<u>(418,419)</u>	<u>(588,464)</u>
Net property and equipment	<u><u>\$ 530,113</u></u>	<u><u>\$ 1,234,998</u></u>

Depreciation expense for the years ended June 30, 2021 and 2020 totaled \$58,788 and \$125,834, respectively.

8. SALE OF REAL PROPERTY

On July 2, 2020, the Conservation League signed a purchase and sale agreement with a third-party for the sale of 990 Morrison Drive, its main office and operations center for GrowFood Carolina. The sale included 0.63 acres of land and the building for \$2,400,000. It is the Conservation Leagues intention to actively seek and develop a new operation center for GrowFood Carolina to expand its operations.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

8. SALE OF REAL PROPERTY - Continued

On January 14, 2021, this agreement was amended to allow the parties additional time to close on the sale of the property until February 15, 2021. For this extension, the Conservation League retained the initial escrow deposit of \$50,000 under the terms of the agreement as additional sales price. The sale and purchase agreement closed on February 15, 2021, and the Conservation League recognized a gain on sale in the amount of \$1,711,712, net of closing costs, net book value in the property, and the additional \$50,000 fee for extension of closing.

Under the terms of the agreement, the Conservation League can lease the property back from the buyer at an annual cost of \$1 per year for the earlier of up to (24) months (February 15, 2023) or a replacement facility is identified and a certificate of occupancy is obtained for its GrowFood Operations. In accordance with this agreement, the Conservation League has recognized the fair market value of this donated rent period for the year ended June 30, 2021 in the amount of \$31,878.

9. LINES OF CREDIT

On May 1, 2018, the Conservation League signed a \$250,000 line of credit. The line bears interest at the prime rate and matures on September 24, 2021. The line is unsecured and has a balance of \$0 at June 30, 2021 and 2020.

On April 25, 2017, the Conservation League signed a \$150,000 line of credit which is intended for use by GrowFood Carolina if such a need develops. The line bears interest at the prime rate and matures on September 24, 2021. The line is unsecured and has a balance of \$0 at June 30, 2021 and 2020.

10. PROMISSORY NOTE PAYABLE

On December 14, 2016, the Conservation League signed a \$44,623 equipment note with Ford Motor Credit Company for a 2017 Ford Transit. The agreement requires (60) monthly payments of \$862 of principal and interest at a rate of 5.89%. The note matures in December of 2021. Total estimated future payments of the notes payable at June 30, 2021 are as follows:

2022	\$	5,006
Thereafter		-
		-
	\$	5,006

11. PAYCHECK PROTECTION PROGRAM NOTE

On April 16, 2020, the Conservation League was issued a note through the Small Business Administration and the Paycheck Protection Program. The note bore interest of 1% and was to mature in April 2022. The note had a balance of \$504,533 at June 30, 2020 and was used for payroll costs, employee benefits, mortgage payments, rent, utilities and interest on obligations. Under the Paycheck Protection Program, certain amounts, up to the entire loan balance, may be forgiven under the terms of the loan. The Conservation League met the terms of PPP forgiveness and applied for and received approval for forgiveness of these notes. In accordance with generally accepted accounting principles in the United States of America (US GAAP), an organization can elect to treat a PPP note as federal financial assistance if it is probable it will meet the PPP forgiveness criteria at the time of note issuance or during the term of the related note. Accordingly, the entities have treated the forgiveness as federal financial assistance, and not gain on forgiveness of debt under US GAAP. Further, the Conservation League presented such federal financial assistance in the statements of activities and operating section of the statements of cash flows versus the financing section under these standards.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

12. RELATED PARTY TRANSACTIONS

Various board members, committee members, employees, their families and companies contributed a total of \$431,377 and \$545,865 during the years ended June 30, 2021 and 2020, respectively. Unconditional promises to give from related parties at June 30, 2021 and 2020 totaled \$1,058,000 and \$1,149,940, respectively.

13. BOARD DESIGNATED ENDOWMENT

The Conservation League’s endowment consists of a fund designated by the Board to function as an endowment which is held in the without donor-imposed restrictions net asset class. This fund is held in the form of cash and cash equivalents, and other equity investments and classified and reported based on the existence or absence of donor-imposed restrictions.

In accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the Conservation League’s policy is to preserve the fair value of the original endowment gift at the gift date of the funds unless there are explicit donor stipulations to the contrary. The Conservation League classifies as net assets with donor-imposed restrictions: (1) the original gift, (2) the original value of subsequent gifts, and (3) accumulations to the endowment in accordance with the direction of the original donor gift (if there are any). Subsequent accumulations of total investment returns are classified as with donor-imposed restrictions until those amounts are appropriated for expenditure by the Conservation League in a manner consistent with the standard of prudence established by UPMIFA.

In accordance with Conservation League policy, the Board designated endowment is recorded at the amount stipulated by the Board and classified as net assets without donor-imposed restrictions. It is the intention of the Board to maintain the designations in perpetuity, with subsequent accumulations of total investment return classified as net assets without donor-imposed restrictions until those amounts are appropriated for expenditure by the Conservation League in a manner consistent with their policy.

Board designated net assets consist of endowment assets to be held indefinitely for the following purposes at June 30:

	2021	2020
Board designated endowment	\$ 15,714,879	\$ 12,803,025
	\$ 15,714,879	\$ 12,803,025

The composition of the Conservation League’s endowment by net asset class as follows:

	June 30, 2021		
	Without Donor- Imposed Restrictions	With Donor- Imposed Restrictions	Total
Board-designated endowment funds	\$ 15,714,879	\$ -	\$ 15,714,879
Total funds	\$ 15,714,879	\$ -	\$ 15,714,879

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

13. BOARD DESIGNATED ENDOWMENT – Continued

	June 30, 2020		
	Without Donor- Imposed Restrictions	With Donor- Imposed Restrictions	Total
Board-designated endowment funds	\$ 12,803,025	\$ -	\$ 12,803,025
Total funds	\$ 12,803,025	\$ -	\$ 12,803,025

The Conservation League follows an investment policy with long-term growth as the main objective. The Conservation League relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Conservation League utilizes a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints. The Board appropriates amounts for specifically identified expenses as needed.

The Board takes into consideration the following factors in making a determination to appropriate endowment funds for expenditure:

- General economic conditions;
- Possible effect of inflation or deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the institution;
- The purpose of the fund and its relationship to the mission of the Conservation League; and
- The Conservation League’s investment policies.

The following details the changes in the Conservation League’s endowment net assets for the years ended:

	June 30, 2021		
	Without Donor- Imposed Restrictions	With Donor- Imposed Restrictions	Total
Endowment net assets, beginning of year	\$ 12,803,025	\$ -	\$ 12,803,025
Investment return:	3,406,399	-	3,406,399
	3,406,399	-	3,406,399
Amounts appropriated for expenditure	(494,545)	-	(494,545)
Endowment net assets, end of year	\$ 15,714,879	\$ -	\$ 15,714,879

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

13. BOARD DESIGNATED ENDOWMENT – Continued

	June 30, 2020		
	Without Donor- Imposed Restrictions	With Donor- Imposed Restrictions	Total
Endowment net assets, beginning of period	\$ 12,937,995	\$ -	\$ 12,937,995
Contributions	-	-	-
Investment return	655,699	-	655,699
	<u>655,699</u>	<u>-</u>	<u>655,699</u>
Amounts appropriated for expenditure	<u>(790,669)</u>	<u>-</u>	<u>(790,669)</u>
Endowment net assets, end of period	<u>\$ 12,803,025</u>	<u>\$ -</u>	<u>\$ 12,803,025</u>

14. LEASES

On December 5, 2002, the Conservation League entered into an agreement to lease office space at 709B Front Street in the City of Georgetown, South Carolina. The lease automatically renews each year for a term of one year. Rent payments for the location are \$950 per month and are due on the first day of the month. The lease matured and was not renewed during the year ended June 30, 2020.

On June 16, 2016, the Conservation League entered into an agreement to lease office space at 1212 King Street in the City of Beaufort, South Carolina for one year beginning July 1, 2016. Effective July 1, 2017 this lease converted to a month-to-month basis. Rent payments for the location are \$500 per month and are due on the first day of the month.

On June 29, 2017, the Conservation League signed a one-year lease beginning August 1, 2017 for 1219 Assembly Street in Columbia, South Carolina. Rent payments for the location are \$1,182 per month and are due on the first day of the month. The lease is currently month to month. Subsequent to year-end, the Conservation League exited this space, terminated the lease and all staff in this office are working remotely.

On October 18, 2018, the Conservation League signed a seven-year and four-month lease for its future corporate offices. The lease provides for a rent-free period from October 19, 2018 to February 9, 2019. Effective the month starting February 10, 2019, rent at a rate of \$9,667 per month was due. Rent will increase annual at 3% and additional common area charges will be due. The lease matures on February 9, 2026.

On November 12, 2019, the Conservation League signed a (60) month operating lease with Penske Leasing for vehicles for its Grow Food operations. The lease has a minimum lease payment of \$1,693 per month.

On July 2, 2020, the Conservation League signed a purchase and sale agreement with a third-party for the sale of 990 Morrison Drive property, the home of its GrowFood Carolina operations. This agreement also provided terms to allow the facility to be leased back for a period of up to (24) months, as provided in the agreement, for an annual lease amount of \$1.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

14. LEASES - Continued

Rent expense under these leases for the years ended June 30, 2021 and 2020 was \$179,040 and \$154,188, respectively.

Future minimal lease payments at June 30, 2021 are as follows:

2022	\$ 144,731
2023	148,211
2024	151,691
2025	143,320
2026	79,849
Thereafter	<u>-</u>
	<u>\$ 667,802</u>

GrowFood Carolina leases space in its operating facility to various third parties under operating leases. Monthly payments received by GrowFood Carolina range from \$550 to \$685 per month. Total lease payments received for the years ended June 30, 2021 and 2020 were \$54,586 and \$52,369, respectively.

15. NET ASSETS

Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of June 30:

	<u>2021</u>	<u>2020</u>
Subject to purpose restrictions:		
DB Conservation Fund	\$ -	\$ 186,832
Food box program	48,758	30,284
Food hub subgrantees	-	31,513
Food waste program	-	2,494
Gippy Plantation and Berkeley County program work	-	2,451
GrowFood programs	74,845	-
Land conservation	-	8,700
Rational roads	5,765	-
Resilience legislative support	11,250	-
Salt Marsh Project	28,206	13,423
Total	<u>168,824</u>	<u>275,697</u>
Subject to the passage of time:		
Future operations	<u>1,930,721</u>	<u>2,202,295</u>
Total	<u>1,930,721</u>	<u>2,202,295</u>
	<u>\$ 2,099,545</u>	<u>\$ 2,477,992</u>

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

16. ADVERTISING

During the years ended June 30, 2021 and 2020, the Conservation League incurred \$13,771 and \$32,319, respectively, in advertising and media development costs. This advertising included social media, radio, and newspaper spots advertising public meetings and transportation reform. All advertising costs during 2021 and 2020 were expensed as incurred.

17. DISCLOSURE OF LIQUIDITY INFORMATION

The following reflects the Conservation Leagues' financial assets as of the statements of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position (June 30th). Amounts not available include amounts set aside for long-term investing in board reserves and designations that could be drawn upon if the governing board approves that action.

	2021	2020
Financial assets	\$ 21,113,424	\$ 16,122,366
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Subject to satisfaction of donor-imposed restrictions	(2,099,545)	(2,477,992)
Board designations:		
Designated for endowment	(15,714,879)	(12,803,025)
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,299,000	\$ 841,349

18. SUBSEQUENT EVENTS

In accordance with ASC 855, *Subsequent Events*, the Conservation League evaluated events at June 30, 2021 through November 5, 2021, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements, beyond those described below.

In July 2021, the Conservation League exited its Columbia office and terminated its lease which was month to month. Staff from this office have moved to remote workspaces.

On October 12, 2021, the Conservation League signed an extension to its \$250,000 and \$150,000 lines of credit with a commercial bank. The lines of credit mature October 12, 2022 and require interest only payments at prime until maturity.

SUPPLEMENTAL SCHEDULES

GROWFOOD CAROLINA
(AN OPERATING UNIT OF THE SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.)
BALANCE SHEET
JUNE 30, 2021

ASSETS

Current Assets

Cash and cash equivalents	\$	216,234
Accounts receivable		151,264
Promises to give, net of allowance for doubtful accounts of \$7,450		11,400
Inventory		62,061
Prepaid expenses		27,001
Total current assets		467,960

Non-Current Assets

Investments, designated for long-term use		2,317,315
Property and equipment, net of accumulated depreciation of \$302,148		152,673
Total non-current assets		2,469,988

Total assets	\$	2,937,948
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LIABILITIES AND MEMBER'S EQUITY

Current Liabilities

Accounts payable	\$	80,996
Accrued payroll and taxes		61,579
Accrued compensated absences		39,510
Due to related party - promissory note current portion		5,010
Total current liabilities		187,095

Total Liabilities		187,095
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Member's Equity

		2,750,853
Total liabilities and member's equity	\$	2,937,948

See independent auditors' report

GROWFOOD CAROLINA
(AN OPERATING UNIT OF THE SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.)
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

Revenue and Support

Product Sales

Produce sales	\$ 1,809,914
Less: cost of sales	(1,493,138)
Gross margin	<u>316,776</u>

Other Support

Contributions	450,143
Grants	231,964
Rent income	54,586
Shipping and delivery	15,572
Box and merchandise sales	1,508
Event revenue	11,025
Gain on sale of real property	1,711,712
Miscellaneous	26,083
	<u>2,502,593</u>

Total revenue	<u>2,819,369</u>
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Operating expenses

Salaries, payroll taxes and benefits	758,148
Depreciation	11,052
Marketing and business development	3,736
Produce box costs	152,840
Auto and truck expenses	82,804
Insurance	21,493
Utilities	18,594
Telephone and network charges	12,406
Professional fees	3,633
Rent expense, in-kind	31,878
Repairs, maintenance and equipment	31,249
Travel and meetings	203
Office supplies	12,303
Miscellaneous	3,477
Events and fundraising	2,623
Bank and credit card processing fees	8,168
Printing and postage	72
Dues and subscriptions	9,915
Grants and support	14,769
Change in allowance for doubtful accounts	(6,278)
Total expenses	<u>1,173,085</u>

Net Income	<u>\$ 1,646,284</u>
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See independent auditors' report