

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

**AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of South Carolina Coastal Conservation League, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about South Carolina Coastal Conservation League, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of South Carolina Coastal Conservation League, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about South Carolina Coastal Conservation League, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules are presented for purposes of additional analysis and is 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Glaser and Company, LLC

Charleston, South Carolina
November 1, 2022

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 966,175	\$ 903,358
Reimbursement and other receivables	140,162	151,264
Unconditional promises to give and grants receivable, net of allowance of \$19,669 for 2022 and \$16,708 for 2021	389,713	472,169
Inventory and prepaid expenses	252,933	168,136
Total current assets	1,748,983	1,694,927
Non-Current Assets		
Investments, designated for long-term use	13,784,871	18,199,680
Unconditional promises to give, net of allowance of \$75,458 for 2022 and \$71,891 for 2021	1,366,345	1,386,953
Property and equipment, net	4,280,949	530,113
Total non-current assets	19,432,165	20,116,746
Total assets	\$ 21,181,148	\$ 21,811,673
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 281,677	\$ 165,162
Accrued salary and employee benefits payable	101,654	177,270
Accrued interest	812	-
Promissory note payable, current portion	300,000	5,010
Accrued compensated absences	186,927	191,754
Deferred lease liability	19,641	17,266
Grants payable	50,000	51,500
Total current liabilities	940,711	607,962
Total liabilities	940,711	607,962
Net Assets		
Without donor-imposed restrictions:		
Undesignated	4,817,630	3,389,287
Board designated	13,459,121	15,714,879
Total net assets without donor-imposed restrictions	18,276,751	19,104,166
With donor-imposed restrictions	1,963,686	2,099,545
Total net assets	20,240,437	21,203,711
Total liabilities and net assets	\$ 21,181,148	\$ 21,811,673

See accompanying notes to financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor-Imposed Restrictions			With Donor-Imposed Restrictions	Total
	Undesignated	Board Designated	Total		
Support and Revenue					
Contributions	\$ 4,948,464	\$ -	\$ 4,948,464	\$ 78,530	\$ 5,026,994
Grants	924,349	-	924,349	-	924,349
Food sales, net	413,111	-	413,111	-	413,111
Rents	53,971	-	53,971	-	53,971
Investment return, net of fees	2,675	(1,707,748)	(1,705,073)	-	(1,705,073)
Other income, net	(115)	-	(115)	-	(115)
Total support and revenue	6,342,455	(1,707,748)	4,634,707	78,530	4,713,237
Net assets released from restriction	214,389	-	214,389	(214,389)	-
Total support and revenue and net assets released from restriction	6,556,844	(1,707,748)	4,849,096	(135,859)	4,713,237
Expenses					
Program services:					
Land, water and wildlife	1,353,189	-	1,353,189	-	1,353,189
Communities and transportation	962,785	-	962,785	-	962,785
Energy and climate	479,455	-	479,455	-	479,455
Food and agriculture	1,475,032	-	1,475,032	-	1,475,032
Total program services	4,270,461	-	4,270,461	-	4,270,461
Supporting services:					
General and administrative	751,923	-	751,923	-	751,923
Fundraising	654,127	-	654,127	-	654,127
Total supporting services	1,406,050	-	1,406,050	-	1,406,050
Total expenses	5,676,511	-	5,676,511	-	5,676,511
Interfund transfers	548,010	(548,010)	-	-	-
Increase (decrease) in net assets	1,428,343	(2,255,758)	(827,415)	(135,859)	(963,274)
Net assets, beginning of year	3,389,287	15,714,879	19,104,166	2,099,545	21,203,711
Net assets, end of year	\$ 4,817,630	\$ 13,459,121	\$ 18,276,751	\$ 1,963,686	\$ 20,240,437

See accompanying notes to financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
STATEMENT OF ACTIVITIES
FOR 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	504,533	-	504,533	-	504,533
Food sales	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.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Supporting Services				Total
	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Salaries	\$ 1,763,464	\$ 376,284	\$ 385,301	\$ 761,585	\$ 2,525,049
Benefits and taxes	427,063	83,257	87,247	170,504	597,567
Other	31,397	97,584	11,506	109,090	140,487
	<u>2,221,924</u>	<u>557,125</u>	<u>484,054</u>	<u>1,041,179</u>	<u>3,263,103</u>
Legal	970,372	275	2,250	2,525	972,897
Accounting	-	23,103	-	23,103	23,103
Contract projects	261,312	41,337	32,574	73,911	335,223
Media development	6,870	-	301	301	7,171
Information technology	23,305	6,581	5,884	12,465	35,770
Furniture and equipment (non-cap)	5,062	-	-	-	5,062
Occupancy	345,819	55,947	63,095	119,042	464,861
Printing, postage and mailings	18,675	902	16,137	17,039	35,714
Supplies	98,043	2,307	1,408	3,715	101,758
Travel and meals	141,383	7,218	6,164	13,382	154,765
Fees and dues	45,488	34,610	26,990	61,600	107,088
Events and programs	20,100	3,537	571	4,108	24,208
Depreciation	70,803	9,601	9,823	19,424	90,227
Bad debts	-	8,076	-	8,076	8,076
Cost of sales - book	9,796	-	-	-	9,796
Grants and support	30,069	-	-	-	30,069
Miscellaneous	1,440	1,304	4,876	6,180	7,620
	<u>1,440</u>	<u>1,304</u>	<u>4,876</u>	<u>6,180</u>	<u>7,620</u>
Total expenses	<u>\$ 4,270,461</u>	<u>\$ 751,923</u>	<u>\$ 654,127</u>	<u>\$ 1,406,050</u>	<u>\$ 5,676,511</u>

See accompanying notes to financial statements.

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

	Supporting Services				Total
	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
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 financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash Flows from Operating Activities:		
(Decrease) increase in net assets	\$ (963,274)	\$ 4,765,979
Adjustments to reconcile increase in net assets		
to net cash provided by (used for) operating activities:		
Net realized and unrealized losses (gains) on investments	1,860,147	(3,218,153)
Depreciation	90,227	58,788
Change in allowance for doubtful accounts	8,076	(18,834)
Change in discount on unconditional promises to give	(26,673)	(46,611)
Contributions received restricted for long-term purposes	(1,588,404)	-
Gain on sale of real property, net	-	(1,703,712)
Federal financial assistance - PPP forgiveness	-	(504,533)
(Increase) decrease in assets:		
Reimbursements and other receivables	11,102	27,356
Unconditional promises to give and grants receivable	761,377	300,613
Inventory and prepaid expenses	(84,797)	(48,536)
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	116,515	63,557
Accrued salary and employee benefits payable	(75,616)	39,392
Accrued interest	812	(1,043)
Accrued compensated absences	(4,827)	106
Deferred lease liability	2,375	6,005
Grants payable	(1,500)	(25,013)
Net cash provided by (used for) operating activities	105,540	(304,639)
Cash Flows used in Investing Activities:		
Purchases of investments	(292,468)	(4,769,372)
Proceeds from sales of investments	2,847,130	2,664,655
Proceeds from sale of real property	-	2,387,546
Purchases of property and equipment	(3,841,063)	(15,237)
Net cash (used for) provided by investing activities	(1,286,401)	267,592
Cash Flows from Financing Activities:		
Payments on notes payable	(5,010)	(9,741)
Proceeds from notes payable	300,000	-
Contributions collected restricted for long-term purposes	948,688	-
Net cash provided by (used for) financing activities	1,243,678	(9,741)
Net increase (decrease) in cash and cash equivalents	62,817	(46,788)
Cash and cash equivalents, beginning of year	903,358	950,146
Cash and cash equivalents, end of year	\$ 966,175	\$ 903,358

See accompanying notes to financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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 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, Rent 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 \$886,814 and \$1,981,504, and donated rent of \$127,512 and \$31,878, during the years ended June 30, 2022 and 2021, respectively. The Conservation League has included these amounts in both contributions and expenses in the statements of activities for the years ended June 30, 2022 and 2021.

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 net with gain on sale of real property, net, in the statement of activities for the year ended June 30, 2021.

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

**SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Examples of priority projects include:

- Fighting inappropriately sited mines that threaten coastal resources and disproportionately impact communities;
- 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:

- 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;

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- 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 40,000 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.

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.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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 \$145,918 and \$149,473 in matching expenses for the years ended June 30, 2022 and 2021, 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, 2022, the Conservation League’s temporary cash investments exceeded federally insured limits by \$810,937.

Credit risk for promises to give is concentrated with a few significant donors. Approximately 62% and 83% of the total gross balance of unconditional promises to give are due from five donors at June 30, 2022 and 2021, 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 statements 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:

- 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.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

4. FAIR VALUE MEASUREMENTS AND INVESTMENTS – Continued

Assets measured at fair value on a recurring basis at:

<u>Description</u>	June 30, 2022			<u>Total</u>
	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Other Unobservable Inputs	
Cash and money markets	\$ 596,788	\$ -	\$ -	\$ 596,788
United States Treasury Notes	1,213,012	-	-	1,213,012
Government bonds - Foreign	120,066	-	-	120,066
Corporate bonds	1,971,620	-	-	1,971,620
Equities - US	9,222,112	-	-	9,222,112
Equities - Foreign	661,273	-	-	661,273
	<u>\$ 13,784,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,784,871</u>

<u>Description</u>	June 30, 2021			<u>Total</u>
	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Other Unobservable Inputs	
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
	<u>\$ 18,199,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,199,680</u>

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

	<u>2022</u>	<u>2021</u>
Dividends and interest	\$ 283,573	\$ 186,568
Investment expenses	(128,499)	(108,527)
Net realized and unrealized (losses) gains	<u>(1,860,147)</u>	<u>3,325,022</u>
Total investment return, net	<u>\$ (1,705,073)</u>	<u>\$ 3,403,063</u>

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

4. FAIR VALUE MEASUREMENTS AND INVESTMENTS – Continued

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 0.26% to 3.61% at June 30, 2022. The net unamortized discount on promises to give at June 30, 2022 and 2021 is \$67,364 and \$94,037, 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 \$0 and \$17,000 at June 30, 2022 and 2021, respectively.

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

	<u>2022</u>	<u>2021</u>
Net present value - current	\$ 409,382	\$ 488,877
Allowances for uncollectible amounts - current	<u>(19,669)</u>	<u>(16,708)</u>
Total net, current	<u>389,713</u>	<u>472,169</u>
Net present value - non-current	1,441,803	1,458,844
Allowances for uncollectible amounts - non-current	<u>(75,458)</u>	<u>(71,891)</u>
Total net, non-current	<u>1,366,345</u>	<u>1,386,953</u>
Total	<u>\$ 1,756,058</u>	<u>\$ 1,859,122</u>

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

5. UNCONDITIONAL PROMISES TO GIVE AND GRANTS RECEIVABLE - Continued

Amounts due over the next five years at June 30, 2022 are as follows:

2023	\$ 409,382
2024	493,333
2025	360,834
2026	230,000
2027	125,000
Thereafter	<u>300,000</u>
Total promises to give	1,918,549
Less: unamortized discount	<u>(67,364)</u>
Total discounted promises to give	1,851,185
Less: allowance for uncollectible promises to give	<u>(95,127)</u>
Net promises to give	<u><u>\$ 1,756,058</u></u>

6. IN-KIND CONTRIBUTIONS

The Conservation League received donated professional services with an estimated fair value of \$886,814 and \$1,981,504 for the years ended June 30, 2022 and 2021, respectively. The Conservation League received donated rent of \$127,512 and \$31,878, during the years ended June 30, 2022 and 2021, respectively. The donated legal and professional services were primarily used in the land, water and wildlife programs. The donated rent was primarily in support of the Conservation League's sustainable agriculture programs.

7. PROPERTY AND EQUIPMENT

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

	<u>2022</u>	<u>2021</u>
Buildings and land	\$ 3,884,276	\$ -
Vehicles	200,525	200,525
Furniture and equipment	284,273	284,273
Furnishings	94,029	94,029
Leasehold improvements	<u>369,705</u>	<u>369,705</u>
Total	4,832,808	948,532
Accumulated depreciation	<u>(551,859)</u>	<u>(418,419)</u>
Net property and equipment	<u><u>\$ 4,280,949</u></u>	<u><u>\$ 530,113</u></u>

Depreciation expense for the years ended June 30, 2022 and 2021 totaled \$90,227 and \$58,788, respectively.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

8. PURCHASE AND SALE OF REAL PROPERTY

Purchase of 1814 Harmon Street (Planned New GrowFood Location)

In November 2021, The Conservation League purchased a new location for its GrowFood Carolina operations. The new facility cost \$2,963,000 and will triple the warehouse capacity and food distribution operations of the program. The facility is under construction and upfit during 2022 and will be ready for operations late 2022. The cost and upfit of the project through June 30, 2022 was \$3,884,276.

Sale and Lease of 990 Morrison Drive (Existing GrowFood Location)

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.

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 is leasing 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, 2022 and 2021 in the amount of \$127,512 and \$31,878, respectively.

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 October 12, 2022. The line is unsecured and has a balance of \$0 at June 30, 2022 and 2021.

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 October 15, 2022. The line is unsecured and has a balance of \$0 at June 30, 2022 and 2021.

10. PROMISSORY NOTES PAYABLE

On November 19, 2021, the Conservation League signed a \$2,000,000 note to be utilized for the upfit of the Conservation League's new GrowFood Carolina location. The note bears interest at the prime rate less 0.75% (4.0% at June 30, 2022). Minimum payments of interest only will be paid through December 19, 2022. Then monthly payments of \$44,530 of principal and interest will begin until the note is paid in full. The note will mature on November 19, 2026. The outstanding balance of the note is \$300,000 at June 30, 2022.

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 matured in December of 2021.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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.

12. RELATED PARTY TRANSACTIONS

Various board members, committee members, employees, their families and companies contributed a total of \$228,001 and \$431,377 during the years ended June 30, 2022 and 2021, respectively. Unconditional promises to give from related parties at June 30, 2022 and 2021 totaled \$1,039,716 and \$1,058,000, 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.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

13. BOARD DESIGNATED ENDOWMENT – Continued

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

	2022	2021
Board designated endowment	\$ 13,459,121	\$ 15,714,879
	\$ 13,459,121	\$ 15,714,879

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

June 30, 2022			
	Without Donor- Imposed Restrictions	With Donor- Imposed Restrictions	Total
Board-designated endowment funds	\$ 13,459,121	\$ -	\$ 13,459,121
Total funds	\$ 13,459,121	\$ -	\$ 13,459,121
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

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.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

13. BOARD DESIGNATED ENDOWMENT – Continued

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

	June 30, 2022		
	Without Donor- Imposed Restrictions	With Donor- Imposed Restrictions	Total
Endowment net assets, beginning of year	\$ 15,714,879	\$ -	\$ 15,714,879
Investment return	<u>(1,707,748)</u>	<u>-</u>	<u>(1,707,748)</u>
	(1,707,748)	-	(1,707,748)
Amounts appropriated for expenditure	<u>(548,010)</u>	<u>-</u>	<u>(548,010)</u>
Endowment net assets, end of year	<u>\$ 13,459,121</u>	<u>\$ -</u>	<u>\$ 13,459,121</u>

	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	<u>3,406,399</u>	<u>-</u>	<u>3,406,399</u>
	3,406,399	-	3,406,399
Amounts appropriated for expenditure	<u>(494,545)</u>	<u>-</u>	<u>(494,545)</u>
Endowment net assets, end of year	<u>\$ 15,714,879</u>	<u>\$ -</u>	<u>\$ 15,714,879</u>

14. LEASES

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 October 18, 2018, the Conservation League signed a seven-year and four-month lease for its then 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.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

14. LEASES - Continued

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.

Rent expense under these leases for the years ended June 30, 2022 and 2021 was \$260,490 and \$179,040, respectively.

Future minimal lease payments at June 30, 2022 are as follows:

2023	\$ 148,211
2024	151,691
2025	143,320
2026	79,849
Thereafter	<u>-</u>
	<u>\$ 523,071</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, 2022 and 2021 were \$53,971 and \$54,586, 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>2022</u>	<u>2021</u>
Subject to purpose restrictions:		
Food box program	\$ -	\$ 48,758
GrowFood programs	-	74,845
Energy programs	15,977	-
Rational roads	21,968	5,765
Resilience legislative support	-	11,250
Salt Marsh Project	74,556	28,206
Total	<u>112,501</u>	<u>168,824</u>
Subject to the passage of time:		
Future operations	<u>1,851,185</u>	<u>1,930,721</u>
Total	<u>1,851,185</u>	<u>1,930,721</u>
	<u>\$ 1,963,686</u>	<u>\$ 2,099,545</u>

16. ADVERTISING

During the years ended June 30, 2022 and 2021, the Conservation League incurred \$7,171 and \$21,310, 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 2022 and 2021 were expensed as incurred.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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.

	2022	2021
Financial assets	\$ 16,647,266	\$ 21,113,424
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Subject to satisfaction of donor-imposed restrictions	(1,441,803)	(1,458,844)
Board designations:		
Designated for endowment	(13,459,121)	(15,714,879)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,746,342	\$ 3,939,701

18. SUBSEQUENT EVENTS

In accordance with ASC 855, *Subsequent Events*, the Conservation League evaluated events at June 30, 2022 through November 1, 2022, 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.

SUPPLEMENTAL SCHEDULES

GROWFOOD CAROLINA
(AN OPERATING UNIT OF THE SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.)
BALANCE SHEETS
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 211,238	\$ 216,234
Accounts receivable	140,162	151,264
Due from affiliate	264,120	-
Promises to give, net of allowance for doubtful accounts	211,647	11,400
Inventory	154,434	62,061
Prepaid expenses	23,727	27,001
Total current assets	1,005,328	467,960
Non-Current Assets		
Investments, designated for long-term use	6,592	2,317,315
Promises to give, net, net of allowance for doubtful accounts	395,834	-
Property and equipment, net	3,951,244	152,673
Total non-current assets	4,353,670	2,469,988
Total assets	\$ 5,358,998	\$ 2,937,948
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 260,839	\$ 80,996
Accrued interest	812	-
Accrued payroll and taxes	55,466	61,579
Accrued compensated absences	46,250	39,510
Due to affiliate	1,390	-
Promissory note	300,000	5,010
Total current liabilities	664,757	187,095
Total liabilities	664,757	187,095
Net Assets	4,694,241	2,750,853
Total liabilities and net assets equity	\$ 5,358,998	\$ 2,937,948

See independent auditors' report

GROWFOOD CAROLINA
(AN OPERATING UNIT OF THE SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.)
OPERATING STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Revenue and Support		
Product sales		
Produce sales	\$ 2,231,062	\$ 1,809,914
Less: cost of sales	<u>(1,817,951)</u>	<u>(1,498,744)</u>
Gross margin	<u>413,111</u>	<u>311,170</u>
Other Support		
Contributions	2,654,025	\$ 450,143
Grants	148,773	231,964
Rent income	53,971	54,586
Shipping and delivery	19,009	15,572
Box and merchandise sales	1,974	1,508
Event revenue	886	11,025
Gain on sale of real property	-	1,711,712
Investment return, net of fees	3,504	-
Miscellaneous	-	31,689
	<u>2,882,142</u>	<u>2,508,199</u>
Total revenue	<u>3,295,253</u>	<u>2,819,369</u>
Operating expenses		
Salaries, payroll taxes and benefits	813,385	758,148
Depreciation	42,491	11,052
Marketing and business development	2,007	3,736
Produce box costs	81,198	152,840
Auto and truck expenses	99,432	82,804
Insurance	17,332	21,493
Utilities	22,389	18,594
Telephone and network charges	13,561	12,406
Professional fees	936	3,633
Rent expense, in-kind	127,512	31,878
Repairs, maintenance and equipment	27,658	31,249
Travel and meetings	3,379	203
Office supplies	13,161	12,303
Miscellaneous	10,897	3,477
Events and fundraising	11,240	2,623
Bank and credit card processing fees	8,734	8,168
Printing and postage	31	72
Dues and subscriptions	9,468	9,915
Grants and support	13,869	14,769
Change in allowance for doubtful accounts	33,185	(6,278)
Total expenses	<u>1,351,865</u>	<u>1,173,085</u>
Net Income	<u>\$ 1,943,388</u>	<u>\$ 1,646,284</u>

See independent auditors' report