

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of the South Carolina Coastal Conservation League, Inc. and affiliate (nonprofit organizations), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated 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 accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the South Carolina Coastal Conservation League, Inc. and affiliate as of June 30, 2025 and 2024, and the changes in its consolidated 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the South Carolina Coastal Conservation League, Inc. and affiliate 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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. and affiliate'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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Carolina Coastal Conservation League, Inc. and affiliate'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the South Carolina Coastal Conservation League, Inc. and affiliate'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 audits.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Charleston, South Carolina
November 12, 2025

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 501,654	\$ 629,648
GrowFood trade receivables, net	262,456	393,318
Unconditional promises to give and grants receivable, net of allowance of \$33,501 and \$17,094 for 2025 and 2024	400,005	612,553
Inventory	67,192	71,395
Prepaid and other expense	109,228	83,585
Total current assets	<u>1,340,535</u>	<u>1,790,499</u>
Non-Current Assets		
Investments, designated for long-term use	17,132,405	15,695,660
Unconditional promises to give, net of allowance of \$13,750 \$37,625 for 2025 and 2024	368,318	512,865
Operating lease - right-of-use asset	63,972	207,292
Note receivable	2,783,200	2,783,200
Property and equipment, net	4,877,275	5,023,729
Total non-current assets	<u>25,225,170</u>	<u>24,222,746</u>
Total assets	<u><u>\$ 26,565,705</u></u>	<u><u>\$ 26,013,245</u></u>

See accompanying notes to the consolidated financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS FINANCIAL POSITION - CONTINUED
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 76,032	\$ 86,301
Accrued salary and employee benefits payable	90,127	74,928
Accrued compensated absences	240,301	165,921
Grants payable	183,637	326,221
Operating lease liability, current	78,897	165,743
Total current liabilities	<u>668,994</u>	<u>819,114</u>
Long-term Liabilities		
TCDE QLICI Loan A note	2,783,200	2,783,200
TCDE QLICI Loan B note, net of loan costs	1,007,444	999,945
Operating lease liability, net of current	-	63,972
Total long-term liabilities	<u>3,790,644</u>	<u>3,847,117</u>
Total liabilities	<u>4,459,638</u>	<u>4,666,231</u>
Net Assets		
Without donor-imposed restrictions:		
Undesignated	4,216,293	4,835,668
Board designated -future operations	-	224,054
Board designated -endowment	16,939,182	15,317,139
Total net assets without donor-imposed restrictions	<u>21,155,475</u>	<u>20,376,861</u>
With donor-imposed restrictions	950,592	970,153
Total net assets	<u>22,106,067</u>	<u>21,347,014</u>
Total liabilities and net assets	<u>\$ 26,565,705</u>	<u>\$ 26,013,245</u>

See accompanying notes to the consolidated financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025 (2024 TOTAL FOR INFORMATION PURPOSES ONLY)

	Without Donor-Imposed Restrictions			With Donor-Imposed Restrictions		2024 Total For Information Purposes Only
	Undesignated	Board Designated	Total	Restrictions	Total	
Support and Revenue						
Contributions	\$ 3,383,415	\$ -	\$ 3,383,415	\$ 88,088	\$ 3,471,503	\$ 2,993,042
Grants	1,469,076	-	1,469,076	-	1,469,076	1,416,261
Food sales, net of \$1,590,604 of cost	402,098	-	402,098	-	402,098	425,362
Investment return, net of fees	54,393	2,272,694	2,327,087	-	2,327,087	1,743,662
Other income, net	46,766	-	46,766	-	46,766	73,542
Total support and revenue	5,355,748	2,272,694	7,628,442	88,088	7,716,530	6,651,869
Net assets released from restriction	107,649	-	107,649	(107,649)	-	-
Total support and revenue and net assets released from restriction	5,463,397	2,272,694	7,736,091	(19,561)	7,716,530	6,651,869
Expenses						
Program services	5,124,873	-	5,124,873	-	5,124,873	5,035,379
Supporting services:						
General and administrative	1,111,563	-	1,111,563	-	1,111,563	1,044,290
Fundraising	721,041	-	721,041	-	721,041	677,960
Total supporting services	1,832,604	-	1,832,604	-	1,832,604	1,722,250
Total expenses	6,957,477	-	6,957,477	-	6,957,477	6,757,629
Net (loss) income before transfers	(1,494,080)	2,272,694	778,614	(19,561)	759,053	(105,760)
Interfund transfers	874,705	(874,705)	-	-	-	-
(Decrease) increase in net assets	(619,375)	1,397,989	778,614	(19,561)	759,053	(105,760)
Net assets, beginning of year	4,835,668	15,541,193	20,376,861	970,153	21,347,014	21,452,774
Net assets, end of year	\$ 4,216,293	\$ 16,939,182	\$ 21,155,475	\$ 950,592	\$ 22,106,067	\$ 21,347,014

See accompanying notes to the consolidated financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR YEAR ENDED JUNE 30, 2024

	Without Donor-Imposed Restrictions			With Donor-Imposed Restrictions	
	Undesignated	Board Designated	Total	Restrictions	Total
Support and Revenue					
Contributions	\$ 2,905,982	\$ -	\$ 2,905,982	\$ 87,060	\$ 2,993,042
Grants	1,292,195	-	1,292,195	124,066	1,416,261
Food sales, net of \$1,559,098 of cost	425,362	-	425,362	-	425,362
Investment return, net of fees	34,783	1,708,879	1,743,662	-	1,743,662
Other income, net	73,542	-	73,542	-	73,542
Total support and revenue	4,731,864	1,708,879	6,440,743	211,126	6,651,869
Net assets released from restriction	680,031	-	680,031	(680,031)	-
Total support and revenue and net assets released from restriction	5,411,895	1,708,879	7,120,774	(468,905)	6,651,869
Expenses					
Program services	5,035,379	-	5,035,379	-	5,035,379
Supporting services:					
General and administrative	1,044,290	-	1,044,290	-	1,044,290
Fundraising	677,960	-	677,960	-	677,960
Total supporting services	1,722,250	-	1,722,250	-	1,722,250
Total expenses	6,757,629	-	6,757,629	-	6,757,629
Net (loss) income before transfers	(1,345,734)	1,708,879	363,145	(468,905)	(105,760)
Interfund transfers	866,868	(866,868)	-	-	-
(Decrease) increase in net assets	(478,866)	842,011	363,145	(468,905)	(105,760)
Net assets, beginning of year	5,314,534	14,699,182	20,013,716	1,439,058	21,452,774
Net assets, end of year	\$ 4,835,668	\$ 15,541,193	\$ 20,376,861	\$ 970,153	\$ 21,347,014

See accompanying notes to the consolidated financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Total Program Services	Supporting Services			Total
		General and Administrative	Fundraising	Total Supporting Services	
Salaries	\$ 1,874,919	\$ 661,490	\$ 415,493	\$ 1,076,983	\$ 2,951,902
Benefits and taxes	452,230	125,649	78,922	204,571	656,801
Training and other employee costs	28,229	84,520	6,863	91,383	119,612
	<u>2,355,378</u>	<u>871,659</u>	<u>501,278</u>	<u>1,372,937</u>	<u>3,728,315</u>
Legal	1,329,886	1,550	-	1,550	1,331,436
Accounting	66	26,241	35	26,276	26,342
Contract projects	307,919	29,781	51,185	80,966	388,885
Media development	2,182	22,717	-	22,717	24,899
Information technology	55,581	39,250	24,182	63,432	119,013
Furniture and equipment (non-cap)	8,046	2,565	1,611	4,176	12,222
Occupancy and telephone	263,544	90,978	55,558	146,536	410,080
Printing, postage and mailings	46,711	1,603	21,142	22,745	69,456
Supplies	333,898	5,898	5,377	11,275	345,173
Vehicles and travel	169,498	3,733	5,303	9,036	178,534
Fees, dues and licenses	42,178	11,609	2,168	13,777	55,955
Events and programs	16,787	6,550	38,670	45,220	62,007
Depreciation	143,719	9,257	5,814	15,071	158,790
Recovery on bad debts	-	(12,768)	-	(12,768)	(12,768)
Cost of sales - book	-	224	-	224	224
Grants and support	1,692	-	-	-	1,692
Interest and loan cost amortization	47,500	-	-	-	47,500
Miscellaneous	288	716	8,718	9,434	9,722
	<u>5,124,873</u>	<u>1,111,563</u>	<u>721,041</u>	<u>1,832,604</u>	<u>6,957,477</u>
Total expenses	<u>\$ 5,124,873</u>	<u>\$ 1,111,563</u>	<u>\$ 721,041</u>	<u>\$ 1,832,604</u>	<u>\$ 6,957,477</u>

See accompanying notes to the consolidated financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Total Program Services	Supporting Services		Total Supporting Services	Total
		General and Administrative	Fundraising		
Salaries	\$ 1,696,800	\$ 609,685	\$ 415,325	\$ 1,025,010	\$ 2,721,810
Benefits and taxes	446,766	128,990	98,527	227,517	674,283
Training and other employee costs	24,369	75,739	8,930	84,669	109,038
	<u>2,167,935</u>	<u>814,414</u>	<u>522,782</u>	<u>1,337,196</u>	<u>3,505,131</u>
Legal	1,075,620	14,370	-	14,370	1,089,990
Accounting	-	18,192	-	18,192	18,192
Contract projects	433,895	54,653	43,068	97,721	531,616
Media development	3,164	14,092	-	14,092	17,256
Information technology	55,785	15,753	14,084	29,837	85,622
Furniture and equipment (non-cap)	20,116	5,681	5,079	10,760	30,876
Occupancy and telephone	296,649	31,384	35,394	66,778	363,427
Printing, postage and mailings	21,190	1,023	18,310	19,333	40,523
Supplies	379,452	8,929	5,449	14,378	393,830
Vehicles and travel	171,446	8,753	7,475	16,228	187,674
Fees, dues and licenses	27,974	26,306	6,526	32,832	60,806
Events and programs	43,834	7,714	1,245	8,959	52,793
Depreciation	200,875	12,808	13,366	26,174	227,049
Loss on disposal	77,308	-	-	-	77,308
Cost of sales - book	-	7,582	-	7,582	7,582
Grants and support	1,410	-	-	-	1,410
Interest and loan cost amortization	47,500	-	-	-	47,500
Miscellaneous	11,226	2,636	5,182	7,818	19,044
	<u>5,035,379</u>	<u>1,044,290</u>	<u>677,960</u>	<u>1,722,250</u>	<u>6,757,629</u>
Total expenses	<u>\$ 5,035,379</u>	<u>\$ 1,044,290</u>	<u>\$ 677,960</u>	<u>\$ 1,722,250</u>	<u>\$ 6,757,629</u>

See accompanying notes to the consolidated financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Increase (decrease) in net assets	\$ 759,053	\$ (105,760)
Adjustments to reconcile increase (decrease) in net assets to net cash used for operating activities:		
Net realized and unrealized gains on investments	(1,940,306)	(1,475,838)
Depreciation	158,790	227,049
Amortization of loan costs	7,500	8,159
Loss on disposal	-	77,308
Change in allowance for inventory shrinkage	23,397	-
Change in allowance for doubtful accounts	(7,468)	-
Change in discount on unconditional promises to give	(29,078)	(50,891)
(Increase) decrease in assets:		
GrowFood trade receivables, net	130,862	(135,502)
Unconditional promises to give and grants receivable	393,641	272,749
Inventory and prepaid and other expenses	(44,837)	(13,410)
Operating lease right-of-use asset	143,320	138,461
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	(10,270)	(109,067)
Accrued salary and employee benefits payable	15,199	13,474
Accrued compensated absences	74,380	(20,030)
Operating lease liability	(150,818)	(142,480)
Grants payable	(142,584)	276,221
Net cash used for operating activities	<u>(619,219)</u>	<u>(1,039,557)</u>
Cash Flows used in Investing Activities:		
Purchases of investments	(15,164,251)	(1,034,812)
Proceeds from sales of investments	15,667,812	1,086,868
Purchases of property and equipment	(12,336)	(82,008)
Net cash provided by (used for) investing activities	<u>491,225</u>	<u>(29,952)</u>
Net decrease in cash and cash equivalents	(127,994)	(1,069,509)
Cash and cash equivalents, beginning of year	<u>629,648</u>	<u>1,699,157</u>
Cash and cash equivalents, end of year	<u>\$ 501,654</u>	<u>\$ 629,648</u>
Supplemental Cash Flow Information:		
Cash paid during the year for interest	\$ 40,000	\$ 40,000

See accompanying notes to the consolidated financial statements.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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.

CCL Farm Conservation, Inc. was formed on April 7, 2023, primarily for the purpose of participating in the Federal New Market Tax Credit program to assist in the funding for the construction of the new GrowFood Carolina warehouse.

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.

Principles of Consolidation

These consolidated financial statements include the balances and financial activities of the Conservation League and its affiliate, CCL Farm Conservation, Inc. All inter-entity accounts and transactions have been eliminated.

Cash and Cash Equivalents

For the purpose of the consolidated 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 consolidated statements of activities at their estimated fair values at the date of receipt. The Conservation League received professional services valued at \$1,183,370 and \$876,435, respectively, during the years ended June 30, 2025 and 2024, respectively. The Conservation League has included these amounts in both contributions and expenses in the consolidated statements of activities for the years ended June 30, 2025 and 2024.

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 range from 3 to 40 years.

**SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

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

Description of Programs

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. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

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.

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 \$168,610 and \$156,198 in matching expenses for the years ended June 30, 2025 and 2024, 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, 2025, the Conservation League’s temporary cash investments did not exceed federally insured limits.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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 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.

Assets measured at fair value on a recurring basis at:

June 30, 2025				
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	\$ 209,361	\$ -	\$ -	\$ 209,361
Mutual funds - stocks	10,273,036	-	-	10,273,036
Mutual funds - bonds	3,804,820	-	-	3,804,820
Exchange traded funds	2,627,053	-	-	2,627,053
Gold fund	218,135	-	-	218,135
	<u>\$ 17,132,405</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,132,405</u>

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. FAIR VALUE MEASUREMENTS AND INVESTMENTS – Continued

June 30, 2024				
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	\$ 685,203	\$ -	\$ -	\$ 685,203
United States Treasury Notes	1,839,134	-	-	1,839,134
Corporate bonds	2,025,369	-	-	2,025,369
Equities - US	9,422,753	-	-	9,422,753
Equities - Foreign	1,723,201	-	-	1,723,201
	<u>\$ 15,695,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,695,660</u>

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

	<u>2025</u>	<u>2024</u>
Dividends and interest	\$ 493,006	\$ 387,020
Investment expenses	(106,225)	(120,574)
Net realized and unrealized gains	<u>1,940,306</u>	<u>1,477,216</u>
Total investment return, net	<u>\$ 2,327,087</u>	<u>\$ 1,743,662</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 0.26% to 4.49% at June 30, 2025 and 2024. The net unamortized discount on promises to give at June 30, 2025 and 2024 is \$12,932 and \$42,010, respectively, and the amortization of the discount is reported as contributions in the consolidated 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 at June 30, 2025 and 2024.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

5. UNCONDITIONAL PROMISES TO GIVE AND GRANTS RECEIVABLE - Continued

The following is a summary of unconditional promises to give, grants receivable and the allowance at June 30:

	<u>2025</u>	<u>2024</u>
Net present value - current	\$ 433,506	\$ 629,647
Allowances for uncollectible amounts - current	<u>(33,501)</u>	<u>(17,094)</u>
Total net, current	<u>400,005</u>	<u>612,553</u>
Net present value - non-current	382,068	550,490
Allowances for uncollectible amounts - non-current	<u>(13,750)</u>	<u>(37,625)</u>
Total net, non-current	<u>368,318</u>	<u>512,865</u>
Total	<u>\$ 768,323</u>	<u>\$ 1,125,418</u>

Amounts due over the next five years at June 30, 2025 are as follows:

2026	\$ 433,506
2027	395,000
Thereafter	<u>-</u>
Total promises to give	828,506
Less: unamortized discount	<u>(12,932)</u>
Total discounted promises to give	815,574
Less: allowance for uncollectible promises to give	<u>(47,251)</u>
Net promises to give	<u>\$ 768,323</u>

6. PROPERTY AND EQUIPMENT

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

	<u>2025</u>	<u>2024</u>
Buildings and land	\$ 4,967,860	\$ 4,967,860
Vehicles	283,292	283,292
Furniture and equipment	18,251	18,251
Furnishings	94,029	94,029
Leasehold improvements	<u>388,382</u>	<u>376,047</u>
Total	5,751,814	5,739,479
Accumulated depreciation	<u>(874,539)</u>	<u>(715,750)</u>
Net property and equipment	<u>\$ 4,877,275</u>	<u>\$ 5,023,729</u>

Depreciation expense for the years ended June 30, 2025 and 2024 totaled \$158,790 and \$227,049, respectively.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

7. NOTE RECEIVABLE

On May 25, 2024, the Conservation League entered into a New Markets Tax Credit transaction detailed in Note 16. As part of that transaction, the Conservation League holds a 30-year long-term note receivable with CCL Charleston Investment Fund, LLC in the amount of \$2,783,200. The note matures on May 25, 2053. Over this period the note is interest-bearing at an interest rate of 1%. The note receivable is not secured by any assets of the organization. See Note 9 and 16 for New Market Tax Credit terms and put/call provisions impacting the acceleration of the maturity of this note receivable.

8. LINES OF CREDIT

On May 1, 2018, the Conservation League signed a \$250,000 line of credit, and it has been extended annually. The line bears interest at the prime rate and matures on December 15, 2025. The line is unsecured and has a balance of \$0 at June 30, 2025 and 2024.

9. NOTES PAYABLE

On May 25, 2024, CCL Farm Conservation, Inc., signed a 30-year \$2,783,200 note payable with TCDE 104, LLC (Note A), associated with the issuance of new market tax credits (see note 16). The note bears interest at 1% and quarterly interest only payments are due through May 25, 2030. Beginning July 25, 2030, principal and interest payments are due through maturity on May 25, 2053. Prepayments on principal are not allowed under the note agreement until after the 7th year anniversary on May 25, 2030. See Note 16 for New Market Tax Credit terms and put/call provision impacting the acceleration of the maturity of this note payable.

On May 25, 2024, CCL Farm Conservation, Inc., signed a 30-year \$1,216,800 note payable with TCDE 104, LLC (Note B), associated with the issuance of new market tax credits (see note 16). The note bears interest at 1% and quarterly interest only payments are due through May 25, 2030. Beginning July 25, 2030, principal and interest payments are due through maturity on May 25, 2053. Prepayments on principal are not allowed under the note agreement until after the 7th year anniversary on May 25, 2030. See Note 16 for New Market Tax Credit terms and put/call provision impacting the acceleration of the maturity of this note payable.

Future minimum principal payments on debt are estimated to be as follows at June 30, 2025:

2026	\$	-
2027		-
2028		-
2029		-
2030		-
Thereafter		<u>4,000,000</u>
	\$	<u><u>4,000,000</u></u>

10. RELATED PARTY TRANSACTIONS

Various board members, committee members, employees, their families and companies contributed a total of \$184,420 and \$211,688 during the years ended June 30, 2025 and 2024, respectively. Unconditional promises to give from related parties at June 30, 2025 and 2024 totaled \$0 and \$220,000, respectively.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

11. BOARD DESIGNATED NET ASSETS

During 2024, the Board of Directors established a reserve that is to be utilized to support future operation of the Conservation League at the discretion of management and approval of the board of directors. The funds are retained in the Conservation League's cash and cash equivalent balances.

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 and other designated assets to be held for the following purposes at June 30:

	<u>2025</u>	<u>2024</u>
Board designated future operations	\$ -	\$ 224,054
Board designated endowment	<u>16,939,182</u>	<u>15,317,139</u>
	<u><u>\$ 16,939,182</u></u>	<u><u>\$ 15,541,193</u></u>

The composition of the Conservation League's board designated endowment by net asset class is as follows at:

	<u>June 30, 2025</u>		
	<u>Without Donor- Imposed Restrictions</u>	<u>With Donor- Imposed Restrictions</u>	<u>Total</u>
Board-designated endowment funds	<u>\$ 16,939,182</u>	<u>\$ -</u>	<u>\$ 16,939,182</u>
Total funds	<u><u>\$ 16,939,182</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,939,182</u></u>

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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11. BOARD DESIGNATED NET ASSETS - CONTINUED

	June 30, 2024		
	Without Donor- Imposed Restrictions	With Donor- Imposed Restrictions	Total
Board-designated endowment funds	<u>\$ 15,317,139</u>	<u>\$ -</u>	<u>\$ 15,317,139</u>
Total funds	<u><u>\$ 15,317,139</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,317,139</u></u>

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 board designated endowment net assets for the years ended:

	June 30, 2025		
	Without Donor- Imposed Restrictions	With Donor- Imposed Restrictions	Total
Endowment net assets, beginning of year	\$ 15,317,139	\$ -	\$ 15,317,139
Investment return	<u>2,272,694</u>	<u>-</u>	<u>2,272,694</u>
	2,272,694	-	2,272,694
Amounts appropriated for expenditure	<u>(650,651)</u>	<u>-</u>	<u>(650,651)</u>
Endowment net assets, end of year	<u><u>\$ 16,939,182</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,939,182</u></u>

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

11. BOARD DESIGNATED ENDOWMENT – Continued

	June 30, 2024		
	Without Donor- Imposed Restrictions	With Donor- Imposed Restrictions	Total
Endowment net assets, beginning of year	\$ 14,251,074	\$ -	\$ 14,251,074
Investment return	1,708,879	-	1,708,879
	1,708,879	-	1,708,879
Amounts appropriated for expenditure	(642,814)	-	(642,814)
Endowment net assets, end of year	<u>\$ 15,317,139</u>	<u>\$ -</u>	<u>\$ 15,317,139</u>

12. LEASES

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. In accordance with ASC 842, Leases, the Conservation League determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on our statements of financial position. The Conservation League currently does not have any financing leases that require recognition under this standard.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Conservation League's leases does not provide an implicit rate, we elected to use a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Conservation League's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Total right-of-use assets and lease liabilities at June 30:

	2025	2024
Operating lease right-of-use asset	<u>\$ 63,972</u>	<u>\$ 207,292</u>
Operating lease liability, current	78,897	165,743
Operating lease liability, long-term portion	<u>-</u>	<u>63,972</u>
	<u>\$ 78,897</u>	<u>\$ 229,715</u>

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

12. LEASES - Continued

Discount rate for operating leases	0.89%	0.89%
Remaining lease term years	0.6	1.6

Future minimum lease payments at June 30, 2025 are as follows

2026	\$ 79,849
Thereafter	-
	<u>79,849</u>
Less imputed interest	<u>(952)</u>
	<u><u>\$ 78,897</u></u>

Rent expense under these leases for the years ended June 30, 2025 and 2024 was \$156,073 and \$153,952, respectively.

13. NET ASSETS

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

	<u>2025</u>	<u>2024</u>
Subject to purpose restrictions:		
Rational roads	\$ 13,873	\$ 18,609
Land, water, and wildlife	74,916	124,066
Energy	33,297	87,060
Total	<u>122,086</u>	<u>229,735</u>
Subject to the passage of time:		
Future operations	828,506	740,418
Total	<u>828,506</u>	<u>740,418</u>
	<u><u>\$ 950,592</u></u>	<u><u>\$ 970,153</u></u>

14. ADVERTISING

During the years ended June 30, 2025 and 2024, the Conservation League incurred \$24,899 and \$15,739, 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 2025 and 2024 were expensed as incurred.

15. DISCLOSURE OF LIQUIDITY INFORMATION

The following reflects the Conservation League's financial assets as of the consolidated 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.

SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

15. DISCLOSURE OF LIQUIDITY INFORMATION- Continued

	<u>2025</u>	<u>2024</u>
Financial assets	\$ 18,664,838	\$ 17,844,044
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Subject to satisfaction of donor-imposed restrictions	(395,000)	(595,500)
Board designations:		
Designated for endowment	<u>(16,939,182)</u>	<u>(15,317,139)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,330,656</u>	<u>\$ 1,931,405</u>

16. NEW MARKET TAX CREDITS

On May 25, 2024, CCL Farm Conservation, Inc., entered into a financing transaction with the Truist Community Capital, LLC related to reimbursement of prior construction, acquisition, furnishings, and equipping expenditures for the new GrowFood Carolina warehouse. To affect the transaction, Truist Community Capital, LLC made a capital contribution to CCL Charleston Investment Fund, LLC, (the "Investment Fund"). Additionally, the Conservation League (the "Leverage Lender"), made a loan to the Investment Fund. The transaction qualified under the New Markets Tax Credit Program ("NMTC Program"), provided for in the Community Renewal Tax Relief Act of 2000 (the "Act"). The NMTC Program is intended to induce capital investment in qualified low-income communities. The Act permits taxpayers to claim credits against federal income taxes for up to 39% of qualified investments in certain Community Development Entities ("CDEs"). CDEs are privately managed entities that are certified to make qualified low-income community investments to qualified projects.

By virtue of its capital contribution to the Investment Fund, Truist Community Capital, LLC is entitled to substantially all of the benefits derived from the new market tax credits ("NMTCs"). This transaction includes a put/call provision whereby the Conservation League may be obligated or entitled to repurchase Truist Community Capital, LLC's interest in the Investment Fund. The Conservation League believes Truist Community Capital, LLC will exercise the put option in May 2030 at the end of the recapture period. The value attributed to the put/call is de minimis. The NMTC is subject to 100% recapture for a period of seven years as provided in the Internal Revenue Code. The Conservation League is required to be in compliance with various regulations and contractual provisions that apply to the NMTC arrangement. Noncompliance with applicable requirements could result in projected tax benefits not being realized and, therefore, could require the Conservation League to indemnify Truist Community Capital, LLC for any loss or recapture of NMTCs related to the financing until such time as the Conservation League's obligation to deliver tax benefits is relieved. The Conservation League does not anticipate any credit recaptures will be required in connection with this arrangement.

Truist Community Capital, LLC's contribution is included in notes payable in the accompanying consolidated statements of financial position, as detailed in Note 11. Debt issuance costs of \$225,014 were incurred and are being amortized on a straight-line basis over the life of the loan. Unamortized debt issuance costs, net of \$209,356 and \$216,856 were outstanding at June 30, 2025 and 2024, respectively, are recorded as a reduction to the note payable on the accompanying consolidated statements of financial position. Incremental costs to maintain the facility during the compliance period are recognized as incurred.

**SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

17. SUBSEQUENT EVENTS

In accordance with ASC 855, *Subsequent Events*, the Conservation League evaluated events at June 30, 2025 through November 12, 2025, the date these consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these consolidated financial statements, aside those presented below:

On August 11, 2025, the Conservation League executed the initial five-year lease extension for its main office.

On August 19, 2025 the Conservation League signed an extension to its \$250,000 line of credit with a commercial bank expiring August 19, 2026.

SUPPLEMENTAL SCHEDULES

GROWFOOD CAROLINA AND CCL FARM CONSERVATION, INC.
(AN OPERATING UNIT AND AFFILIATE OF
THE SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.)
BALANCE SHEETS
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 284,447	\$ 601,198
Due from related parties	503,286	390,065
Trade accounts receivable, net of allowance	262,456	393,318
Grants and promises to give, net of allowance	105,809	42,431
Inventory	67,192	71,395
Prepaid expenses	13,675	33,838
Total current assets	<u>1,236,865</u>	<u>1,532,245</u>
Non-Current Assets		
Note receivable - CCL Charleston Conservation Fund, LLC	2,783,200	2,783,200
Property and equipment, net	4,641,724	4,774,621
Total non-current assets	<u>7,424,924</u>	<u>7,557,821</u>
Total assets	<u>\$ 8,661,789</u>	<u>\$ 9,090,066</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 7,314	\$ 4,198
Accrued interest	10,001	10,001
Accrued payroll and taxes	18,159	11,941
Accrued compensated absences	65,687	47,651
Due to SC Coastal Conservation League	355,604	608,561
Total current liabilities	<u>456,765</u>	<u>682,352</u>
Noncurrent Liabilities		
TCDE QLICI Loan A note	2,783,200	2,783,200
TCDE QLICI Loan B note, net of loan costs	1,007,444	999,944
Total noncurrent liabilities	<u>3,790,644</u>	<u>3,783,144</u>
Total liabilities	4,247,409	4,465,496
Net Assets	<u>4,414,380</u>	<u>4,624,570</u>
Total liabilities and net assets	<u>\$ 8,661,789</u>	<u>\$ 9,090,066</u>

See independent auditors' report

GROWFOOD CAROLINA AND CCL FARM CONSERVATION, INC.
(AN OPERATING UNIT AND AFFILIATE OF
THE SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, INC.)
OPERATING STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Revenue and Support		
Product sales		
Produce sales	\$ 1,941,683	\$ 1,850,229
Box sales	51,019	59,603
Less: cost of sales	<u>(1,590,604)</u>	<u>(1,500,196)</u>
Gross margin	<u>402,098</u>	<u>409,636</u>
Other Support		
Contributions	361,293	63,827
Grants	699,518	699,471
Rent income	-	30,000
Shipping and delivery	45,146	18,121
Merchandise sales	2,659	2,939
Event revenue	20,180	-
Miscellaneous	-	3,506
Interest	34,161	9,349
Investment return, net of fees	<u>14,021</u>	<u>294</u>
	<u>1,176,978</u>	<u>827,507</u>
 Total revenue	 <u>1,579,076</u>	 <u>1,237,143</u>
 Operating expenses		
Salaries, payroll taxes and benefits	911,677	822,311
Produce box costs	339,334	375,841
Depreciation	132,898	185,705
Auto and truck expenses	127,519	132,005
Loss on disposal of fixed assets	-	77,308
Interest	47,500	40,000
Insurance	57,210	39,404
Utilities	35,551	37,510
Repairs, maintenance and equipment	34,787	26,181
Telephone and network charges	7,381	19,527
Dues and subscriptions	15,799	17,717
Produce delivery fees	16,621	15,420
Miscellaneous	2,882	11,717
Office supplies	15,694	9,947
Amortization of loan costs	-	7,500
Bank and credit card processing fees	7,723	6,943
Marketing and business development	6,052	4,585
Professional fees	7,030	2,454
Travel and meetings	1,818	1,314
Events and fundraising	10,216	1,124
Grants and support	692	410
Printing and postage	-	54
Change in allowance for doubtful accounts	<u>10,882</u>	<u>2</u>
Total expenses	<u>1,789,266</u>	<u>1,834,979</u>
 Net Loss	 <u>\$ (210,190)</u>	 <u>\$ (597,836)</u>

See independent auditors' report