
COALITION TO RESTORE COASTAL LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2020

RICHARD  CPAS

COALITION TO RESTORE COASTAL LOUISIANA

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Independent Auditors' Report

The Board of Directors
Coalition to Restore Coastal Louisiana
New Orleans, Louisiana

We have audited the accompanying financial statements of Coalition to Restore Coastal Louisiana (the Organization), which comprise the statements of financial position as of June 30, 2020 and 2019 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coalition to Restore Coastal Louisiana as of June 30, 2020 and 2019 and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the Organization may be impacted by disruptions in the economy and business operations associated with the coronavirus (COVID-19) pandemic. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The extent to which the COVID-19 outbreak may impact the Organization's financial position or statement of activities cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, on page 17, Schedule of Compensation, Benefits, and Other Payments to the Agency Head, is presented for additional analysis and is not a required part of the basic 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
December 18, 2020

COALITION TO RESTORE COASTAL LOUISIANA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

<u>ASSETS</u>		
	2020	2019
<u>ASSETS</u>		
Cash	\$ 691,109	\$ 85,046
Grants and accounts receivable	195,126	190,088
Other receivables	5,198	18,663
Prepaid expenses	151,745	12,990
Investments	225,937	199,618
Property and equipment, net	6,944	-
<u>TOTAL ASSETS</u>	\$ 1,276,059	\$ 506,405
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 177,291	\$ 36,500
Payroll taxes and other employment related payables	1,643	5,189
Accrued compensated absences	34,690	32,429
Deferred revenues	371,612	-
Refundable advance	71,875	75,457
Total current liabilities	657,111	149,575
<u>NET ASSETS</u>		
Without donor restrictions	236,967	221,805
With donor restrictions	381,981	135,025
Total net assets	618,948	356,830
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 1,276,059	\$ 506,405

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

COALITION TO RESTORE COASTAL LOUISIANA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>SUPPORT AND REVENUES</u>						
Grant revenue	\$ 83,093	\$ 1,402,958	\$ 1,486,051	\$ 910,856	\$ 246,803	\$ 1,157,659
Contributions	127,056	-	127,056	166,649	-	166,649
Sponsorships	4,631	-	4,631	-	-	-
Other income	105,501	-	105,501	34,514	-	34,514
Investment return, net	238	-	238	10,229	-	10,229
Net assets released from restrictions	1,156,002	(1,156,002)	-	306,298	(306,298)	-
Total support and revenues	<u>1,476,521</u>	<u>246,956</u>	<u>1,723,477</u>	<u>1,428,546</u>	<u>(59,495)</u>	<u>1,369,051</u>
<u>EXPENSES</u>						
Program services	1,199,358	-	1,199,358	1,098,829	-	1,098,829
Fundraising	71,675	-	71,675	54,684	-	54,684
Management and general	190,326	-	190,326	239,428	-	239,428
Total expenses	<u>1,461,359</u>	<u>-</u>	<u>1,461,359</u>	<u>1,392,941</u>	<u>-</u>	<u>1,392,941</u>
<u>CHANGE IN NET ASSETS</u>	15,162	246,956	262,118	35,605	(59,495)	(23,890)
<u>NET ASSETS, BEGINNING OF THE YEAR</u>	<u>221,805</u>	<u>135,025</u>	<u>356,830</u>	<u>186,200</u>	<u>194,520</u>	<u>380,720</u>
<u>NET ASSETS, END OF THE YEAR</u>	<u>\$ 236,967</u>	<u>\$ 381,981</u>	<u>\$ 618,948</u>	<u>\$ 221,805</u>	<u>\$ 135,025</u>	<u>\$ 356,830</u>

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

COALITION TO RESTORE COASTAL LOUISIANA
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020				2019			
	Program Services	Fundraising	Management and General	Totals	Program Services	Fundraising	Management and General	Totals
Salaries	\$ 569,887	\$ 45,155	\$ 133,344	\$ 748,386	\$ 552,717	\$ 24,685	\$ 125,782	\$ 703,184
Payroll taxes	43,758	3,537	9,969	57,264	42,563	1,901	9,554	54,018
Employee benefits	64,195	4,937	11,490	80,622	66,322	2,962	15,527	84,811
Total compensation	<u>677,840</u>	<u>53,629</u>	<u>154,803</u>	<u>886,272</u>	<u>661,602</u>	<u>29,548</u>	<u>150,863</u>	<u>842,013</u>
Advertising and sponsorship	9,775	145	260	10,180	587	650	180	1,417
Continuing education	35	-	-	35	883	-	99	982
Contractors	328,841	1,000	150	329,991	222,145	-	26,727	248,872
Depreciation	-	-	924	924	-	-	109	109
Dues, fees, and registration	28,550	5,418	11,393	45,361	33,029	9,164	12,405	54,598
Equipment rental and storage	13,591	-	321	13,912	14,953	-	5,198	20,151
Food and beverage	10,888	328	-	11,216	5,389	303	5,541	11,233
Gifts and miscellaneous	566	-	39	605	186	966	546	1,698
Insurance	4,516	-	7,220	11,736	5,132	175	886	6,193
Interest and bank charges	930	-	1,650	2,580	1,671	74	375	2,120
Legal and accounting	17,978	-	7,800	25,778	20,560	452	2,287	23,299
Meals and entertainment	420	-	545	965	-	-	34	34
Printing and postage	(22)	5,096	-	5,074	5,201	11,970	726	17,897
Rent	45,104	-	2,637	47,741	43,903	1,950	9,862	55,715
Repairs and maintenance	295	-	-	295	394	-	7	401
Supplies	36,933	6,059	1,151	44,143	45,708	(1,395)	3,961	48,274
Travel	18,462	-	338	18,800	24,353	682	18,614	43,649
Utilities and telephone	4,656	-	1,095	5,751	13,133	145	1,008	14,286
Total expenses	<u>\$ 1,199,358</u>	<u>\$ 71,675</u>	<u>\$ 190,326</u>	<u>\$ 1,461,359</u>	<u>\$ 1,098,829</u>	<u>\$ 54,684</u>	<u>\$ 239,428</u>	<u>\$ 1,392,941</u>

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

COALITION TO RESTORE COASTAL LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 262,118	\$ (23,890)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	924	109
Realized and unrealized gain on investments	(1,319)	(4,286)
Changes in operating assets and liabilities:		
Grants receivable	(5,038)	(10,403)
Other receivables	13,465	63,367
Prepaid expenses	(138,755)	6,858
Accounts payable	140,791	(75,954)
Payroll taxes and other employment related payables	(3,546)	(29,912)
Accrued compensated absences	2,261	2,915
Deferred revenues	371,612	69,353
Refundable advance	(3,582)	-
Net cash provided by (used in) operating activities	<u>638,931</u>	<u>(1,843)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of equipment	(7,868)	-
Purchases of investments	(25,000)	(55,796)
Proceeds from sales of investments	-	50,562
Net cash used in investing activities	<u>(32,868)</u>	<u>(5,234)</u>
Net change in cash and cash equivalents	606,063	(7,077)
Cash and cash equivalents, beginning of year	<u>85,046</u>	<u>92,123</u>
Cash and cash equivalents, end of year	<u>\$ 691,109</u>	<u>\$ 85,046</u>

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

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

1. Significant Accounting Policies

Organization

Coalition to Restore Coastal Louisiana (the Organization) is a nonprofit organization dedicated to the preservation of Louisiana coastal wetlands. The Organization's main office is located in New Orleans, Louisiana, but it conducts seminars and studies throughout the State of Louisiana in an effort to educate the public and promote wetlands restoration efforts.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions net assets for an operating reserve or board-designated endowment.

Net assets with donor restrictions – Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

Cash equivalents are all highly liquid investments with maturities of three months or less at date of acquisition.

Grants and Accounts Receivable

Grants and accounts receivable are stated at the amount management expects to collect. Management provides for probably uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management believes all outstanding balances as of June 30, 2020 and 2019 to be fully collectible.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

1. Significant Accounting Policies (continued)

Investments

The Organization reports investments in equity securities with readily determinable fair values and investments in debt securities at the fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Interest and dividend income are recorded on the accrual basis.

Property and Equipment

Property and equipment are carried at cost when purchased and at fair market value when received as a donation. The Organization's policy is to capitalize property and equipment over \$500. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period.

The cost of maintenance and repairs is charged to expense as incurred. Additions, improvements, and betterments to property and equipment are capitalized. The major classes of property and equipment include office and computer equipment and furniture and fixtures and are depreciated over an estimated useful life between 3-7 years.

Depreciation expense for the years ended June 30, 2020 and 2019 totaled \$924 and \$109, respectively.

Contributions and Revenue Recognition

Contributions received are recorded as without donor-restricted support or donor-restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Special event fees are recorded as revenue in the year the event is held. Special event fees collected in advance for the following year are recorded as deferred revenue.

Contributed Services and Materials

A substantial number of unpaid volunteers have made significant contributions of their time and expertise in the development of the Organization's programs, principally in community-based restoration projects. No amounts have been included in the financial statements for donated services since no objective basis is available to measure the value of such services or they do not qualify for recognition under accounting principles generally accepted in the United States of America. Additionally, no donated materials were received by the Organization for the years ended June 30, 2020 and 2019.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

1. Significant Accounting Policies (continued)

Advertising Costs

The Organization expenses advertising costs as incurred. Advertising expense for the years ended June 30, 2020 and 2019 totaled \$10,180 and \$1,417, respectively.

Income Taxes

Coalition to Restore Coastal Louisiana is a nonprofit corporation exempt from federal income taxes under provisions of the Internal Revenue Service Code Sections 501(c) (3), respectively, and therefore, no provision has been made for federal and state income taxes. It qualifies as an organization that is not a private foundation as defined in Section 509 (a) of the code. It is exempt from Louisiana income tax under the authority of R.S.47:121(5).

Coalition to Restore Coastal Louisiana applies a “more-likely-than-not” recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than 50% likelihood of being sustained upon examination by the taxing authorities. As a result of implementing this approach, the Organization has reviewed its tax positions and determined there were no outstanding, or retroactive tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities, therefore the implementation of this standard has not had a material effect of the Organization.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs, primarily salaries, benefits, rent, insurance and professional fees have been allocated among the programs and supporting services benefited. The allocation between functions is based on time spent by specific employees per the various projects they implemented throughout the year. All other costs are charged directly to the appropriate functional category.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of additions to and reduction of net assets during the reported period. Accordingly, actual results may differ from those estimates.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

1. Significant Accounting Policies (continued)

New Accounting Pronouncements

The FASB has issued ASU No. 2014-09, Revenue from Contracts with Customers, to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. On May 20, 2020, FASB voted to defer the effective date of ASU No. 2014-09 by one year to include nonpublic companies that have not yet issued their financial statements. The Organization has deferred the adoption of this standard.

2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 691,109	\$ 85,046
Grants and accounts receivable	195,126	190,088
Other receivables	5,198	18,663
Investments	<u>225,937</u>	<u>199,618</u>
Total financial assets	<u>1,117,370</u>	<u>493,415</u>
Less: funds subject to donor-imposed restrictions	<u>(381,981)</u>	<u>(135,025)</u>
Total available financial assets	<u>\$ 735,389</u>	<u>\$ 358,390</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a near balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

3. Grants and Accounts Receivable

The grants receivable balances as of June 30, 2020 and 2019 and consist of the following:

	<u>2020</u>	<u>2019</u>
National Fish and Wildlife Foundation	\$ 85,987	\$ -
Foundation for Louisiana	62,000	50,000
Department of Wildlife and Fisheries	25,457	10,063
GIVE NOLA Day	10,227	-
Environmental Protection Agency	2,311	41,302
National Wildlife Federation	-	34,699
Gulf of Mexico Alliance	-	32,484
Shell Oil Company	-	21,540
Other Grants	9,144	-
	<u>\$ 195,126</u>	<u>\$ 190,088</u>

4. Investments

Investments consisted of mutual funds totaling \$225,937 and \$199,618 as of June 30, 2020 and 2019, respectively.

The Organization has the following investment return for the years ended June 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Interest and dividend income	\$ 6,808	\$ 6,031
Realized and unrealized gain (loss)	(5,255)	4,965
Investment fees	(1,315)	(767)
	<u>\$ 238</u>	<u>\$ 10,229</u>

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

5. Fair Value Measurements

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has ability to access.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement determined using model-based techniques that include option pricing model, discounted cash flow models and similar techniques.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish its daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at reporting date.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

5. Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2020 and 2019.

Balance at June 30, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
US Large Cap Equity	\$ 16,977	\$ -	\$ -	\$ 16,977
US Small Cap Equity	8,837	-	-	8,837
EAFE Equity	27,073	-	-	27,073
Emerging Market Equity	3,604	-	-	3,604
Asia ex-Japan Equity	1,965	-	-	1,965
U.S. Real Estate Equity	1,776	-	-	1,776
Hedge Funds	8,166	-	-	8,166
US Fixed Income	121,467	-	-	121,467
Global Fixed Income	3,368	-	-	3,368
Cash equivalents	32,704	-	-	32,704
Total	<u>\$ 225,937</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,937</u>

Balance at June 30, 2019	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
US Large Cap Equity	\$ 52,523	\$ -	\$ -	\$ 52,523
US Small Cap Equity	10,065	-	-	10,065
EAFE Equity	26,297	-	-	26,297
Emerging Market Equity	8,217	-	-	8,217
Asia ex-Japan Equity	1,060	-	-	1,060
Global Equity	5,046	-	-	5,046
Hedge Funds	5,560	-	-	5,560
US Fixed Income	87,456	-	-	87,456
Global Fixed Income	3,394	-	-	3,394
Total	<u>\$ 199,618</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199,618</u>

6. Operating Leases

The Organization leases office space in Baton Rouge. The Organization entered into a lease agreement with a new lessor effective January 1, 2018 through December 2019. The lease payments decreased from \$3,499 to \$1,935 under the current lease for the period January 1, 2018 to October 31, 2018 and \$1,431 for the period November 1, 2018 to December 31, 2019. Effective January 1, 2020, the Organization entered into a new thirteen-month lease at \$500 per month.

The Organization leases office space in New Orleans effective March 31, 2016 through July 31, 2017. Monthly lease payments were \$1,949 under the lease. The lease was extended through July 31, 2019 with monthly lease payments increasing to \$3,135 for the period October 1, 2017 to July 31, 2018 and to \$3,276 for the period August 1, 2018 to July 31, 2019 based on the percentage of office space being leased. Effective August 2019, the Organization amended the lease terms through July 31, 2021 at \$3,401 per month.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

6. Operating Leases (continued)

Rent expense for the years ended June 30, 2020 and 2019 was \$47,741 and \$55,715, respectively. Future minimum payments under the non-cancelable leases in effect as of June 30, 2020 are as follows:

<u>Year Ending June 30,</u>	<u>Amounts</u>
2021	\$ 45,063
2022	3,469
Total	\$ <u>48,533</u>

7. Employee Benefits

The Organization currently gives each employee 3% of each employee's yearly salary and is places in a 403(b) account with an employee-funded portion to match an additional 2% of an employee's contribution. option to contribute to a 403(b) account within Internal Revenue Code limitations. The Organization's contributions to the plan totaled \$35,296 and \$34,911 for the years ended June 30, 2020 and 2019, respectively.

8. Concentration of Credit Risk

The Organization maintains its cash and cash equivalent balances in several financial institutions. Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposits may not be returned to them. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2020 and 2019, the Organization had cash amounts in excess of FDIC insurance limits of \$355,640 and \$0, respectively.

9. Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2020 and 2019, consist of:

	<u>2020</u>	<u>2019</u>
Outreach Program	\$ 259,781	\$ 50,000
Oyster Shell Recycling Program	114,063	51,625
Habitat Restoration Program	-	25,842
Administrative and General Operations	8,137	7,558
	\$ <u>381,981</u>	\$ <u>135,025</u>

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

9. Net Assets with Donor Restrictions (continued)

Net assets were released from restrictions for satisfaction of purpose during the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Outreach Program	\$ 565,577	\$ 53,500
Oyster Shell Recycling Program	262,231	162,684
Habitat Restoration Program	170,209	84,171
Administrative and General Operations	157,985	5,943
	<u>\$ 1,156,002</u>	<u>\$ 306,298</u>

10. Deferred Revenue

Deferred revenue at June 30, 2020 and 2019, consist of:

	<u>2020</u>	<u>2019</u>
State of Coast - Registration fees	\$ 149,643	\$ -
State of Coast - Sponsorship	177,000	-
State of Coast - Exhibitor fees	32,500	-
SAB	12,469	-
	<u>\$ 371,612</u>	<u>\$ 75,547</u>

The State of the Coast event, scheduled to occur in May 2020, was delayed due to COVID-19 and rescheduled in June 2021. The sponsorships, registrations fees, and exhibitor fees either collected in advance or included in grants and accounts receivable as of June 30, 2020 are included in deferred revenue until the event occurs in 2021.

11. Small Business Administration Loan

On May 4, 2020, the Organization received U.S. Small Business Administration (SBA) Paycheck Protection Program loan proceeds in the amount of \$160,800. This loan is potentially forgivable if the Organization meets certain criteria provided by the SBA. The loan has an interest rate of 1% and is due five years from the date of origination. The Paycheck Protection Program loan does not require any collateral or personal guarantees associated with this loan. The Organization has recorded the loan proceeds in accordance with ASC 958-605 and recognized other income of \$104,531 for which the eligible expenses were incurred during the year ended June 30, 2020. The balance of \$56,269 is recorded on the statement of financial position as a refundable advance at June 30, 2020.

COALITION TO RESTORE COASTAL LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

12. Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets in the local area and around the world. The Organization is uncertain how long these conditions will last and what the complete financial effect will be.

13. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 18, 2020, and determined the following requires disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

COALITION TO RESTORE COASTAL LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2020

Agency Head Name: Kim Reyher, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<u>\$ -</u>

Louisiana Revised Statute 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees to be reported as a supplemental report within the financial statement of local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

See accompanying independent auditor's report.

OTHER REPORT



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

The Board of Directors
Coalition to Restore Coastal Louisiana
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Coalition to Restore Coastal Louisiana (the Organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coalition to Restore Coastal Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coalition to Restore Coastal Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coalition to Restore Coastal Louisiana's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richard CPAS

Metairie, Louisiana
December 18, 2020

COALITION TO RESTORE COASTAL LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2020

1. Summary of Independent Auditors' Results

Financial Statements

(a) The type of report issued on the basic financial statements: **Unmodified**

(b) Internal control over financial reporting:

Material weakness(es) identified: **None reported**

Significant deficiency(ies) identified: **None reported**

(c) Noncompliance which is material to the basic financial statements: **None reported**

2. Current Year Findings relating to the basic financial statements reported in accordance with Government Auditing Standards

-None

COALITION TO RESTORE COASTAL LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2020

3. Prior Year Findings relating to the basic financial statements reported in accordance with Government Auditing Standards

2019-001 Internal Financial Statements

Condition: The internal financial statements prepared by management and presented to the Executive Director, Finance Committee, and the Board include a statement of activities and actual to budget comparison. The internal financial statements provided by management do not consistently include a statement of financial position.

Current Status: Resolved.

2019-002 Internal Controls over Disbursements

Condition: The Organization pays a majority of the operating disbursements through either ACH or through payment on the Organization's credit card. The Finance and Administration Director initiates and approves the majority of these payments with limited documentation of approval or review by anyone other than the Finance and Administration Director. The Board Treasurer does obtain bank statements on a monthly basis, however, does not review transaction level supporting documentation. The Finance and Administration Director also is an authorized check signer, (when paper checks are used), records the transactions in the ledger, and prepares the bank reconciliation.

Current Status: Resolved.

2019-003 Internal Control over Payroll

Condition: The Organization uses a third-party CPA firm to prepare and remit payroll through direct deposit to its employees. The payroll amounts are funded with limited review by management of the amounts prepared by the third-party CPA firm. During the year ended June 30, 2019, the Organization observed one employee was underpaid (\$4,195, from January 2018-September 2018) during the audit period and one employee was overpaid (\$1,275, from July 1, 2018 to October 31, 2018) during the audit period. The amounts were subsequently corrected after management became aware of the payroll differences.

Current Status: Resolved.



The Board of Directors
Coalition to Restore Coastal Louisiana
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Coalition to Restore Coastal Louisiana (CRCL), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2020.

In planning and performing our audit of the financial statements, we considered CRCL's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CRCL's internal control. Accordingly, we do not express an opinion on the effectiveness of CRCL's internal control.

During our audit, we noted certain matters in the June 30, 2019 audit, involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized on the attached.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of CRCL gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of the Executive Director and Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Richard CPAS

Metairie, Louisiana
December 18, 2020

COALITION TO RESTORE COASTAL LOUISIANA

MANAGEMENT LETTER COMMENTS

PRIOR YEAR SUMMARY

2019-01 Credit Cards

Recommendation: RICHARD CPAS recommends that management consider the following:

1. Obtain a list of current open credit card accounts by employee and identify any accounts that are in the name of a terminated employee. Management should modify cardholders to reflect active employees.
2. The amount paid on the outstanding balance of the credit card should be equal to the outstanding balance on the monthly statement. Management should maintain supporting documentation for all charges to the credit card statements.
3. Management should monitor the credit card balances to ensure proper payment amounts to avoid a credit balance on the monthly credit card statement.

Management Response: Management concurs with the finding. The Organization has instituted significant improvements to our financial controls over the past year and are presently revising our organizational financial policies to reflect current practices. The Organization is also researching better companies or structures to provide better structure and segregation of duties for its processes.

Current Status: Resolved

2019-02 Bank Reconciliations

Recommendation: RICHARD CPAS recommends that the bank reconciliations be reviewed in detail by someone other than the preparer. This review should be documented.

Management Response: Management concurs with the finding. The Organization has instituted significant improvements to our financial controls over the past year and are presently revising our organizational financial policies to reflect current practices.

Current Status: Resolved