

COOK INLETKEEPER

With Reviewed Financial Statements
For the Year Ended December 31, 2020

With Audited Financial Statements
For the Year Ended December 31, 2019

COOK INLETKEEPER

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Foster and Company, LLC

Karen M. Foster, CPA
Michael C. Foster, CPA

Independent Accountant's Review Report

Board of Directors
Cook Inletkeeper
Homer, Alaska

We have reviewed the accompanying financial statements of Cook Inletkeeper, a non-profit corporation, which comprise the statement of financial position as of December 31, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2019 Financial Statements

The 2019 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated September 16, 2020. We have not performed any auditing procedures since that date.

Foster and Company, LLC

Foster and Company, LLC
Wasilla, Alaska

August 24, 2021

COOK INLETKEEPER
Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
<u>ASSETS</u>		
Current assets:		
Cash		
Unrestricted	\$ 433,024	\$ 154,437
Accounts receivable	-	47
Grants and pledges receivable	-	904
	433,024	155,388
Total current assets		
Property and equipment	153,916	182,918
Less accumulated depreciation	(141,249)	(167,519)
Net property and equipment	12,667	15,399
Security deposits	2,000	2,000
Total assets	\$ 447,691	\$ 172,787
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 24,388	\$ 68,338
Accrued leave	26,769	28,984
Accrued payroll liabilities	19,961	20,212
Total current liabilities	71,118	117,534
 NON-CURRENT LIABILITIES:		
SBA PPP loan	139,500	-
Security deposits held	1,000	-
Total non-current liabilities	140,500	-
Total liabilities	211,618	117,534
 <u>NET ASSETS</u>		
Without donor restrictions	236,073	55,253
Total net assets	236,073	55,253
Total liabilities and net assets	\$ 447,691	\$ 172,787

See Independent Accountant's Report and accompanying notes to the financial statements

COOK INLETKEEPERStatements of Activities, Page 1 of 2
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
From Cash Operating Activities		
Support		
Foundations	\$ 547,500	\$ 577,000
Memberships and contributions	228,754	285,773
SUBTOTAL - SUPPORT	<u>776,254</u>	<u>862,773</u>
Revenue		
Program fees:		
Government contracts	280,463	185,978
Other contracts and program revenue	26,050	74,527
Fundraising	42,711	38,613
Sales of promotional items	461	3,615
Rental income	7,700	-
Other revenue	-	721
SUBTOTAL - REVENUE	<u>357,385</u>	<u>303,454</u>
TOTAL REVENUE AND SUPPORT	<u>1,133,639</u>	<u>1,166,227</u>
Expenses		
Program services	626,425	1,031,009
General and administrative	239,293	339,347
Fundraising	87,183	83,781
TOTAL EXPENSE	<u>952,901</u>	<u>1,454,137</u>
Increase (Decrease) in Net Assets Without Donor Restrictions from Cash Operating Activities	<u>\$ 180,738</u>	<u>\$ (287,910)</u>

See Independent Accountant's Report and accompanying notes to the financial statements

COOK INLETKEEPER

Statements of Activities, Page 2 of 2
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
From Non-Cash Activities - Depreciation	\$ <u>(2,732)</u>	\$ <u>(2,733)</u>
SUBTOTAL NON-CASH ACTIVITIES	<u>(2,732)</u>	<u>(2,733)</u>
From Non - Operating Activities		
Interest earnings	814	360
Gain (loss) on disposal of assets	<u>2,000</u>	<u>-</u>
SUBTOTAL NON-OPERATING ACTIVITIES	<u>2,814</u>	<u>360</u>
Increase (Decrease) in Net Assets Without Donor Restrictions from Non-Operating and Non-Cash Activities	<u>82</u>	<u>(2,373)</u>
INCREASE (DECREASE) IN NET ASSETS	180,820	(290,283)
NET ASSETS, beginning of year	55,253	345,536
NET ASSETS, end of year	\$ <u><u>236,073</u></u>	\$ <u><u>55,253</u></u>

See Independent Accountant's Report and accompanying notes to the financial statements

COOK INLETKEEPER
Statement of Functional Expenses
For the Year Ended December 31, 2020

	<u>Programs</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 356,250	\$ 127,830	\$ 78,692	\$ 562,772
Contract and professional	175,113	37,258	-	212,371
Merchandise for resale	-	2,863	-	2,863
Occupancy	22,452	24,825	2,484	49,761
Travel	5,845	300	-	6,145
Vehicle expense	492	1,953	-	2,445
Supplies and office expense	1,519	2,073	-	3,592
Communications	-	7,759	-	7,759
Printing and publications	18,152	12,337	-	30,489
Insurance	-	2,560	-	2,560
Training	5,879	40	-	5,919
Dues and subscriptions	555	2,511	850	3,916
Postage	284	2,952	50	3,286
Other	4,241	1,272	-	5,513
Sampling equipment and supplies	4,532	12,548	5,107	22,187
Events costs	31,111	212	-	31,323
Total Cash Operating Expenses	<u>626,425</u>	<u>239,293</u>	<u>87,183</u>	<u>952,901</u>
Depreciation	<u>-</u>	<u>2,732</u>	<u>-</u>	<u>2,732</u>
Total Expenses	<u>\$ 626,425</u>	<u>\$ 242,025</u>	<u>\$ 87,183</u>	<u>\$ 955,633</u>

See Independent Accountant's Report and accompanying notes to the financial statements

COOK INLETKEEPER
Statement of Functional Expenses
For the Year Ended December 31, 2019

	<u>Programs</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 586,923	\$ 146,858	\$ 65,791	\$ 799,572
Contract and professional	196,452	38,673	-	235,125
Merchandise for resale	915	1,294	-	2,209
Occupancy	21,252	50,057	2,484	73,793
Travel	61,234	9,452	2,370	73,056
Vehicle expense	720	4,926	-	5,646
Supplies and office expense	7,332	6,993	-	14,325
Communications	-	26,297	-	26,297
Printing and publications	74,345	23,510	993	98,848
Insurance	-	6,107	-	6,107
Training	11,208	2,332	-	13,540
Dues and subscriptions	1,992	2,005	-	3,997
Postage	2,528	3,011	197	5,736
Other	1,848	488	-	2,336
Sampling equipment and supplies	3,372	15,145	1,033	19,550
Board expense	2,672	2,199	7,960	12,831
Events costs	58,216	-	2,953	61,169
Total Cash Operating Expenses	<u>1,031,009</u>	<u>339,347</u>	<u>83,781</u>	<u>1,454,137</u>
Depreciation	<u>-</u>	<u>2,733</u>	<u>-</u>	<u>2,733</u>
Total Expenses	<u>\$ 1,031,009</u>	<u>\$ 342,080</u>	<u>\$ 83,781</u>	<u>\$ 1,456,870</u>

See Independent Accountant's Report and accompanying notes to the financial statements

COOK INLETKEEPER
 Statements of Cash Flows
 For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash from Operating Activities:		
Change in net assets	\$ 180,820	\$ (290,283)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Gain on sale of fixed asset	(2,000)	
Depreciation and amortization	2,732	2,733
(Increase) decrease in assets:		
Accounts receivable	951	1,269
Prepaid expenses	-	12,467
Increase (decrease) in liabilities:		
Accounts payable	(43,950)	51,352
Accrued leave	(2,215)	(5,774)
Accrued payroll liabilities	(251)	(1,336)
Security deposits held	1,000	-
	137,087	(229,572)
Net cash provided (used) by operating activities		
Cash used by investing activities - purchase of property and equipment		
Sale of property and equipment	2,000	-
	2,000	-
Net cash provided (used) by investing activities		
Cash from Financing Activities -		
SBA PPP loan	139,500	-
Net cash provided (used) by financing activities	139,500	-
Total increase (decrease) in cash	278,587	(229,572)
Cash at beginning of year	154,437	384,009
Cash at end of year	\$ 433,024	\$ 154,437

See Independent Accountant's Report and accompanying notes to the financial statements

COOK INLETKEEPER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019

1) **Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Cook Inletkeeper (the Organization) is presented to aid in understanding the Organization's financial statements. The financial statements and notes are the representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting principles conform to generally accepted accounting principles.

Nature of the Organization

Cook Inletkeeper was organized as a non-profit corporation, on April 12, 1995. The Organization was modeled after the successful Keeper programs, which protect and prevent the degradation of important watersheds. The Organization is a place-based program designed to preserve the ecological integrity of Cook Inlet and provide for environmentally compatible human uses of the Inlet's resources through effective public stewardship and management. A primary goal of the Cook Inletkeeper is to combine environmental science, law, and policy with hands-on research, information and monitoring systems, to give citizens the tools they need to protect Cook Inlet water quality using a watershed-wide ecosystem approach. The Organization's basic programs involve citizen participation in research, education, and advocacy projects aimed at protecting Cook Inlet. The Organization was established through proceeds from a lawsuit Greenpeace, et al. vs. Union Oil Company of California, Marathon Oil Company, and Shell Western E&P, Inc. The Organization's support comes primarily from individual contributions, various federal and foundation grants and contracts.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of The Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of The Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

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COOK INLETKEEPER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019

(1) **Summary of Significant Accounting Policies, *continued***

Basis of Accounting

The Organization's accounting records are maintained on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash

The Organization considers demand deposits and all highly liquid investments purchased with a maturity of three months or less to be cash or cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense. An allowance for doubtful accounts has not been established, as all receivables are considered fully collectible.

Grants and Contracts Receivable

Grants and contracts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt. All receivables are considered fully collectible.

Property and Equipment

Property and equipment are carried at cost and depreciation is computed using the straight-line method over the estimated useful lives of the assets. The cost of maintenance and repairs is charged to expense when incurred. The organization follows the practice of capitalizing all expenditures for equipment in excess of \$1,000. Lesser amounts are expensed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Organization is exempt from income taxes as a nonprofit corporation organized under Section 501(c)(3) of the Internal Revenue Code. The Organization believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements. Although the Organization is exempt from federal income taxes, any income derived from unrelated business activities is subject to the requirement of filing Federal Income Tax Form 990-T and a tax liability may be determined on these activities.

Inventory

Inventory is recorded at cost and consists of T-shirts, hats, CDs, posters, books other miscellaneous items.

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COOK INLETKEEPER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019

(1) **Summary of Significant Accounting Policies, continued**

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and benefits	Time and effort
Occupancy	Square footage
Office and board expense	Time and effort
Travel	Time and effort
Other	Time and effort

(2) **Cash and Restricted Cash**

At December 31, 2020 and 2019, the Organization maintained deposits at local financial institutions. The Federal Deposit Insurance Corporation Funds and the National Credit Union Administration insures funds held within the same banking institution to a maximum of \$250,000 in total. At December 31, 2020 and 2019, \$39,432 and \$-0- exceeded the FDIC / NCUA insured amounts.

(3) **Property and Equipment**

Property and equipment consisted of the following at December 31:

	2020	2019
Vehicles and boats	\$ 4,300	\$ 33,302
Leasehold improvements	42,608	42,608
Fixtures and Equipment	107,008	107,008
	<u>153,916</u>	<u>182,918</u>
Accumulated depreciation	<u>(141,249)</u>	<u>(167,519)</u>
	<u>\$ 12,667</u>	<u>\$ 15,399</u>

Total depreciation expense for 2020 and 2019 was \$2,732 and \$2,733, respectively.

(4) **Operating Leases**

The Organization has entered into a non-cancelable lease, for office space to house administrative and program offices. The lease agreement began May 1, 2019, and extends through April 30, 2022. Monthly payments are \$2,300.

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Notes to Financial Statements
Years Ended December 31, 2020 and 2019

(4) Operating Leases, continued

The Organization has entered into a non-cancelable lease, for office space to house administrative and program offices. The lease agreement began May 1, 2019, and extends through April 30, 2022. Monthly payments are \$1,500.

Future minimum operating lease payments for all leases are as follows:

2021	\$	45,600
2022		15,200

(5) Indirect Rate

The Organization has an indirect cost rate for federal programs of 33.53%.

(6) Commitments and Contingencies

The Organization receives grants which are subject to program compliance audits by the granting agency. These grants have not been audited by the granting agency. The amount, if any, of expenses that might be disallowed by the granting agency as the result of a program compliance audit would become a liability of the Organization. However, management believes that such claims, if any, would not be significant.

(7) Availability and Liquidity

The following represents the Organization's financial assets at December 31:

Financial assets at year-end:	2020	2019
Cash and cash equivalents	\$ 433,024	\$ 154,437
Accounts and grants receivable	-	951
Total financial assets	433,024	155,388
Financial assets available to meet general expenditures over the next twelve months	\$ 433,024	\$ 155,388

(8) Subsequent Events

Management has evaluated subsequent events through August 24, 2021, that date which the financial statements were available for issue. In March 2021, the SBA PPP Loan of \$139,500 was forgiven. No other events were identified that would require disclosure according to generally acceptable accounting principles.