

**COOK INLETKEEPER**

Audited Financial Statements  
For the Year Ended December 31, 2021  
With Reviewed Financial Statements  
For the Year Ended December 31, 2020

# COOK INLETKEEPER

## Table of Contents

<u>Independent Auditor's Report</u>	1 - 2
<u>Financial Statements</u>	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 12

## Independent Auditor's Report

Board of Directors  
Cook Inletkeeper  
Homer, Alaska

**Opinion** - We have audited the accompanying financial statements of Cook Inletkeeper, a nonprofit organization, which comprise the statements of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and statements of cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cook Inletkeeper, as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion** - We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cook Inletkeeper and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

Board of Directors  
Cook Inletkeeper

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

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

#### **Report on 2020 Financial Statements**

The comparative financial statements for the year ended December 31, 2020, were reviewed by us.

*Foster and Company, LLC*

Foster and Company, LLC  
Wasilla, Alaska

October 27, 2022

**COOK INLETKEEPER**  
**Statements of Financial Position**  
**December 31, 2021 and 2020**

	2021	2020
<b><u>ASSETS</u></b>		
Current assets:		
Cash		
Unrestricted	\$ 431,438	\$ 433,024
Grants and pledges receivable	(500)	-
	430,938	433,024
Total current assets		
Property and equipment	153,916	153,916
Less accumulated depreciation	(143,512)	(141,249)
Net property and equipment	10,404	12,667
Security deposits	2,000	2,000
Total assets	\$ 443,342	\$ 447,691
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 17,659	\$ 24,388
Accrued leave	27,467	26,769
Accrued payroll liabilities	19,129	14,367
Total current liabilities	64,255	65,524
<b>NON-CURRENT LIABILITIES:</b>		
SBA PPP loan	-	139,500
Security deposits held	1,000	1,000
Total non-current liabilities	1,000	140,500
Total liabilities	65,255	206,024
<b><u>NET ASSETS</u></b>		
Without donor restrictions	378,087	241,667
Total net assets	378,087	241,667
Total liabilities and net assets	\$ 443,342	\$ 447,691

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

**COOK INLETKEEPER**Statements of Activities, Page 1 of 2  
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
From Cash Operating Activities		
Support		
Foundations	\$ 538,925	\$ 547,500
Corporations	103,492	-
Memberships and contributions	196,244	228,754
SUBTOTAL - SUPPORT	<u>838,661</u>	<u>776,254</u>
Revenue		
Program fees:		
Government contracts	262,270	280,463
Other contracts and program revenue	9,530	26,050
Fundraising	36,603	42,711
Sales of promotional items	3,740	461
Rental income	13,999	7,700
SUBTOTAL - REVENUE	<u>326,142</u>	<u>357,385</u>
TOTAL REVENUE AND SUPPORT	<u>1,164,803</u>	<u>1,133,639</u>
Expenses		
Program services	639,886	626,425
General and administrative	269,845	239,293
Fundraising	117,735	87,183
TOTAL EXPENSE	<u>1,027,466</u>	<u>952,901</u>
Increase (Decrease) in Net Assets Without Donor Restrictions from Cash Operating Activities	<u>\$ 137,337</u>	<u>\$ 180,738</u>

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

**COOK INLETKEEPER**

Statements of Activities, Page 2 of 2  
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
From Non-Cash Activities - Depreciation	\$ <u>(2,263)</u>	\$ <u>(2,732)</u>
<b>SUBTOTAL NON-CASH ACTIVITIES</b>	<u>(2,263)</u>	<u>(2,732)</u>
From Non - Operating Activities		
Interest earnings	1,346	814
Gain (loss) on disposal of assets	<u>-</u>	<u>2,000</u>
<b>SUBTOTAL NON-OPERATING ACTIVITIES</b>	<u>1,346</u>	<u>2,814</u>
Increase (Decrease) in Net Assets Without Donor Restrictions from Non-Operating and Non-Cash Activities	<u>(917)</u>	<u>82</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	136,420	180,820
NET ASSETS, beginning of year, as originally stated	241,667	55,253
Prior Period Adjustment	<u>-</u>	<u>5,594</u>
NET ASSETS, beginning of year, restated	241,667	60,847
<b>NET ASSETS, end of year</b>	<b>\$ <u><u>378,087</u></u></b>	<b>\$ <u><u>241,667</u></u></b>

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

**COOK INLETKEEPER**  
Statement of Functional Expenses  
For the Year Ended December 31, 2021

	<u>Programs</u>	<u>General &amp; Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 422,377	\$ 151,253	\$ 108,382	\$ 682,012
Contract and professional	144,076	30,968	-	175,044
Merchandise for resale	-	5,150	-	5,150
Occupancy	23,902	29,413	2,484	55,799
Travel	3,489	559	-	4,048
Vehicle expense	5,063	13,412	5,100	23,575
Supplies and office expense	6,743	2,078	-	8,821
Communications	-	7,058	-	7,058
Printing and publications	12,327	17,191	32	29,550
Insurance	45	4,098	-	4,143
Training	2,525	70	32	2,627
Dues and subscriptions	1,879	1,718	-	3,597
Postage	1,770	1,344	-	3,114
Other	4,491	2,795	1,705	8,991
Sampling equipment and supplies	83	-	-	83
Events costs	11,116	2,738	-	13,854
Total Cash Operating Expenses	<u>639,886</u>	<u>269,845</u>	<u>117,735</u>	<u>1,027,466</u>
Depreciation	<u>-</u>	<u>2,263</u>	<u>-</u>	<u>2,263</u>
Total Expenses	<u>\$ 639,886</u>	<u>\$ 272,108</u>	<u>\$ 117,735</u>	<u>\$ 1,029,729</u>

See Independent Auditor'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 &amp; 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 Auditor's Report and accompanying notes to the financial statements

**COOK INLETKEEPER**  
 Statements of Cash Flows  
 For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash from Operating Activities:		
Change in net assets	\$ 136,420	\$ 180,820
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	2,263	2,732
(Increase) decrease in assets:		
Accounts receivable	500	951
Increase (decrease) in liabilities:		
Accounts payable	(6,729)	(43,950)
Accrued leave	698	(2,215)
Accrued payroll liabilities	4,762	(251)
Security deposits held	-	1,000
	137,914	137,087
Cash used by investing activities - purchase of property and equipment		
Sale of property and equipment	-	2,000
	-	2,000
Cash from Financing Activities -		
SBA PPP loan	(139,500)	139,500
Net cash provided (used) by financing activities	(139,500)	139,500
Total increase (decrease) in cash	(1,586)	278,587
Cash at beginning of year	433,024	154,437
Cash at end of year	\$ 431,438	\$ 433,024

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

**COOK INLETKEEPER**  
Notes to Financial Statements  
Years Ended December 31, 2021 and 2020

**NOTE 1 – 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.

**NOTE 2 – 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.

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.

See Independent Auditor's Report

**COOK INLETKEEPER**  
Notes to Financial Statements  
Years Ended December 31, 2021 and 2020

**NOTE 2 – 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.

See Independent Auditor's Report

**COOK INLETKEEPER**  
Notes to Financial Statements  
Years Ended December 31, 2021 and 2020

**NOTE 2 – 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:

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

**NOTE 3 – CASH AND CASH EQUIVALENTS**

At December 31, 2021 and 2020, 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, 2021 and 2020, \$-0- and \$39,432, respectively, exceeded the FDIC / NCUA insured amounts.

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Vehicles and boats	\$ 4,300	\$ 4,300
Leasehold improvements	42,608	42,608
Fixtures and Equipment	<u>107,008</u>	<u>107,008</u>
	153,916	153,916
Accumulated depreciation	<u>(143,512)</u>	<u>(141,249)</u>
	<u>\$ 10,404</u>	<u>\$ 12,667</u>

Total depreciation expense for 2021 and 2020 was \$2,263 and \$2,732, respectively.

**COOK INLETKEEPER**  
Notes to Financial Statements  
Years Ended December 31, 2021 and 2020

**NOTE 5 – 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.

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:

2022	\$	15,200
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**NOTE 6 – INDIRECT RATE**

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

**NOTE 7 – 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.

**NOTE 8 – AVAILABILITY AND LIQUIDITY**

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

Financial assets at year-end:	2021	2020
Cash and cash equivalents	\$ 431,438	\$ 433,024
Total financial assets	431,438	433,024
Financial assets available to meet general expenditures over the next twelve months	\$ 431,438	\$ 433,024

**NOTE 9 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 27, 2022, 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.